

Weekend FT

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FINANCIAL TIMES

Weekend May 16/May 17 1992

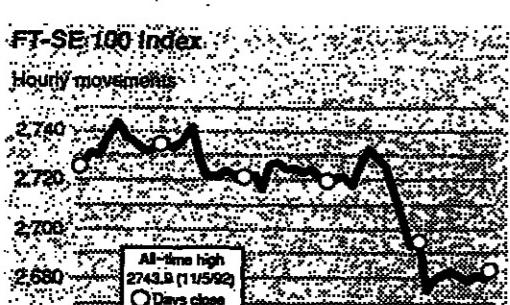
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Talks on S Africa political reform reach deadlock

South Africa's constitutional talks reached deadlock, dashing hopes for the early installation of a multi-racial interim government and raising fears of renewed political violence.

A day of acrimonious negotiations at the Convention for a Democratic South Africa (Codesa) left the government and the African National Congress divided over fundamental constitutional issues, but reluctant to end talks which began again today. Page 24

Hope of new German pay offer: Germany's engineering employers hinted at an improved pay offer and new talks with the engineering workers were agreed for today. Page 2



UK equities fall: Olympia & York's decision to file for protective bankruptcy added to the mood of uncertainty on the London Stock Exchange and caused a further bout of selling pressure. The FTSE 100 share index ended a difficult session a net 12.1 lower at 2,682.6. Over the week the Footsie fell 43.1. Page 15; Lex, Page 24

Securities houses in the red: Most of Japan's 14 leading securities houses reported after-tax losses for the year ended March 1992. Falling stock prices were cited. Page 12

Inflation rate rises: Britain's annual rate of inflation rose to 4.3 per cent last month, reversing a downward trend which began in January. Page 24 and Lex; Details, Page 4; Currencies, Page 13

Bid for NY Daily News: Daily Telegraph group chairman Conrad Black is expected to bid about \$750m (£42m) for the New York Daily News next week. Page 10

LA policeman faces retrial: Officer Laurence Powell, one of the four policemen cleared in the Rodney King beating case, is to be retried on a charge that he used excessive force "under color of authority", a judge ruled in Los Angeles.

Unilever: Anglo-Dutch consumer products group, met market expectations with a 5 per cent increase in first-quarter profits to £377m. Page 10; Lex, Page 24

Indian markets closed: India's stock markets were closed to prevent a further collapse in prices after police seized assets belonging to a broker under investigation for alleged securities fraud. Page 3

Greene King: south of England's largest regional brewer, launched a £101.3m (£17.8m) hostile takeover bid for rival group Morland. Page 10; Lex, Page 24

Russian price checks lifted: Russia liberalised internal oil and gas prices in a move that will hit faltering state-owned enterprises and outlying republics hardest. Page 2

Alexander's: New York department store chain, closed down. Page 12

SA Brewings: Australian drinks and manufacturing group, proposed an A\$5.7bn (£US4.3bn) merger with Foster's Brewing. Page 12

Prado to lose masterpieces: Spanish 20th-century masterpieces, including Picasso's Guernica, are being moved out of the Prado museum in Madrid. Page 2

Azerbaijan parliament seized: Nationalists seized Azerbaijan's parliament after fierce fighting and declared the opposition Popular Front in control of the former Soviet republic. Page 4

Maxwell pensions campaign: Six senior Tory MPs are pressing banks and other financial institutions which dealt with Robert Maxwell to ensure all Maxwell pensioners go on receiving pensions. Page 4

STOCK MARKET INDICES	STERLING
FTSE 100: -2,682.6 (-12.1)	(12.1)
Yield: 4.54	
S: 2,682	
London: 1,915	
S: 1,915	
DM: 2,837.5 (1,822)	
DM: 2,837.5 (same)	
SF: 2,707.5 (2,692)	
Y: 227.0 (237.5)	
£ Index: 92.8 (92.9)	
US LUNCHTIME RATES	
Federal Funds: 5.1%	
3-mo Tres Bill Yld: 3.84%	
Long Bond: 10.2%	
Yield: 7.81%	
LONDON MONEY	
3-mo interbank: 10.1% (10%)	
Libor long (ft future): 10.1% (10%)	
NORTH SEA OIL (ARMS)	
Brst 15-day July: \$16.775 (same)	
Gold	
New York Comex: \$388.1 (336)	
London: \$388.4 (337)	
Tokyo close Y 130.50	

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Thatcher attacks pace of European integration

By Ronald van de Krol in The Hague and Philip Stephens in London

MRS Margaret Thatcher launched a fierce attack on the European Community's federalist ambitions yesterday, calling for the creation of a looser confederation that would return power to individual nation-states.

In a wide-ranging speech to an international economic forum,

the former UK prime minister avoided directly challenging her successor, Mr John Major, who has pledged to keep Britain at the heart of Europe.

But, speaking just days before an expected rebellion by anti-federalist Conservative MPs against the prime minister's signature of the Maastricht treaty, she did little to disguise her anger at the pace of European integration.

She accused the EC of rushing

towards a federalist structure before the EC was enlarged to include eastern Europe. "It hopes to construct a centralised super-state in advance – and irrevocably – so that the new members will have to apply for entry on federalist terms."

She warned that a tightly-knit Community would not be able to curb the ambitions of a united Germany. Its power could be best "contained" in a looser Europe in

which the US maintained a significant presence.

In a looser structure, other governments would be free to form a coalition against Germany. By contrast, "a common foreign policy... is liable to express the interests of the largest single factor", she said.

Mrs Thatcher criticised the European Commission for drawing up directives in "back rooms" and the European parliament for

lacking Europe-wide political parties and political debate.

"We should aim at a multi-track Europe in which ad hoc groups of different states – such as the Schengen Group – forge varying levels of co-operation and integration on a case-by-case basis," she said. The Schengen

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Markets shudder as world's biggest property developer files for insolvency protection

Banks face \$3bn losses on their O&Y loans

By Robert Peston and Philip Stephens in London, Bernard Simon in Toronto and Alan Friedman in New York

FINANCIAL MARKETS around the world shuddered yesterday at the news that Olympia & York, the world's biggest property developer, had filed for insolvency protection in Canada and the US late on Thursday night.

As the markets recovered their poise it emerged that banks face losses of at least \$3bn (£1.6bn) on their loans to O&Y.

The scale of banks' losses became clear after Citicorp, the biggest bank said in a submission to the US Securities & Exchange Commission that it had written off \$10bn of its loans to the property developer and classified the remaining \$279m as non-performing.

Bankers said they believed other banks' losses on O&Y loans to be similar.

Indeed, bank losses could be higher still, since Citicorp said it took the \$10bn write off before the group made its filing for protection from its creditors.

O&Y insisted that Canary Wharf, a 10-year project started in 1987 and costing up to £3bn, was unaffected by the legal moves in Canada and would continue on schedule.

The reassurances helped to calm dealers on the London stock market, where bank and property shares were marked down sharply at the start of trading but clawed their way back by the end of the day.

News of Citicorp's losses was the most startling development in a day filled with political and financial repercussions from O&Y's move.

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Lydia van der Meer

THE O&Y INSOLVENCY

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Protection sought to avoid hitting financial system

By Robert Peston

THE WORLD'S financial system would have faced "tremendous risks" if Olympia & York had allowed its creditors to seize its assets, Mr Steve Miller, O&Y's chief bank negotiator, said yesterday.

He said that a big concern was that creditors in the US "would... grab Canadian assets". These US creditors had this ability, because many of the US property loans were guaranteed by the O&Y parent company in Canada. The filings have removed this threat.

O&Y also became concerned that it would be unable to make payments to creditors whose loans were secured on a series of Canadian buildings and that these creditors would therefore seize the buildings.

Mr Miller, who said he had not slept in a week because of shuttling between bank meetings all over the world, admitted that the insolvency filings would nonetheless damage the property markets in Toronto and New York.

O&Y is the best property developer in the world. If even we cannot withstand recession, confidence in the property markets is going to be shaken". But he predicted that the impact on the markets would be "temporary".

Mr Miller said that at the beginning of the week the company had started to become convinced that it would need to file for protection under Canada's Companies Creditors Arrangement Act and the Chapter 11 legislation of the US.

A series of creditors were threatening to seize assets worth hundreds of millions of dollars.

But it was the threat that there would be a domino effect, leading to asset seizures by many other creditors, that finally persuaded O&Y on Thursday afternoon to make the filings.

He said that a big concern was that creditors in the US "would... grab Canadian assets". These US creditors had this ability, because many of the US property loans were guaranteed by the O&Y parent company in Canada. The filings have removed this threat.

O&Y also became concerned that it would be unable to make payments to creditors whose loans were secured on a series of Canadian buildings and that these creditors would therefore seize the buildings.

In other words, there was the threat that creditors would try to liquidate billions of dollars of O&Y's assets, which would have had a devastating effect on the property market and could have led to colossal losses for banks with property loans.

However, Mr Miller said he understood why the Canadian government had not come to the company's aid by providing a bridging loan to facilitate the sale of the Exchange Tower in Toronto. Mr Miller said the Canadian government was prepared to provide the funds if these would have solved all O&Y's problems.

"When the cash crisis began two months ago, the government thought the loan would be a final solution," he said. "But it soon became apparent that O&Y's difficulties were far too bad to be solved by that."

Lloyds seeks small businesses' support in battle for Midland

By David Barchard

THE BATTLE for Midland Bank hotted up yesterday as Lloyds Bank launched a package aimed at persuading small businesses to support its takeover bid and issued a direct appeal to its shareholders.

The war of words continued when Sir Peter Walters, Midland's chairman, told MPs that a Lloyds takeover would mean retrenchment, not growth.

Midland suffered a setback when the Takeover Panel said it could not appeal against an earlier ruling that Lloyds must be allowed access to confidential commercial information already supplied to Hong Kong Bank.

Lloyds yesterday unveiled what amounted to a manifesto to customers, saying what they would gain from a takeover of

Midland. Small business customers of the combined bank would gain, said Lloyds, because banking services would be far superior to those already available in the UK. This was because a merged bank would operate more cheaply and efficiently than the existing UK clearers.

The proposals followed recent widespread criticism of the clearing banks' treatment of small business customers.

Small businesses would benefit from a new £100m Lloyds Bank venture fund administered in regional centres. It would enable them to obtain venture capital of £25,000 and above as well as a new fixed-rate lending scheme, backed by a £250m fund, making cash available for between five and seven years.

Lloyds also promised a scheme to enable small businesses to obtain cash when large companies were late in payment.

Lloyds also said it would not make banking tariff charges in the two years after a business was set up.

Mr Bernard Asher, director of Hong Kong Bank, said he expected that his bank's bid for Midland would result in services to small businessmen at least as good as those promised by Lloyds.

Lloyds' proposals were immediately attacked by Mr Stan Menzies, chairman of the Forum of Private Business. He said Midland shareholders should question carefully the motives behind Lloyds' proposed takeover bid. "Why is this range of beneficial measures only possible under a hostile bid for Midland?" Mr Menzies asked.

Lloyds also promised a scheme to enable small businesses to

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NEWS: INTERNATIONAL

US output rise boosts hopes of recoveryBy Michael Prowse
in Washington

HOPES of a sustained US economic recovery were bolstered yesterday when the Federal Reserve reported a 0.5 per cent increase in industrial production in April, the third consecutive monthly increase.

The figures were better than financial markets expected and partly reflected a sharp rebound in car production. However, most sectors of industry have shown a steady improvement since January.

Production has now almost retraced the falls of last autumn, when the economy seemed to be heading for a "double-dip" recession. Industrial output stands 3.5 per cent above the level in April last year.

Manufacturing output rose 0.6 per cent last month and 2.8 per cent in the year to April.

The improved production figures follow reports of gains in both employment and retail sales in April. On Thursday the Fed also reported a sharp rise in the money supply, bringing it just above the lower limit of its 2.5-6.5 per cent target range.

Many analysts believe a quarter-point cut in short-term interest rates is still likely in the next few weeks despite the improved economic figures. A reduction would trigger a cut in banks' prime lending rates, now 6.5 per cent, and add vigour to the recovery.

A decision on rates could be taken as early as next Tuesday, when Fed governors and regional presidents meet in Washington to review monetary policy.

Decision on EC tobacco ads delayed

By Andrew Hill in Brussels

HEALTH ministers yesterday delayed a decision on an EC-wide ban on tobacco advertising until November at the earliest.

Mrs Fidel Ramos last night took a narrow lead in unofficial estimates of the Philippine presidential election while his rival, Mrs Miriam Defensor Santiago, claimed there had been widespread electoral fraud, writes Jose Galang in Manila.

Mrs Santiago, a combative former immigration commissioner who had taken an early unofficial lead, is to launch demonstrations today accusing her opponents of "wholesale election fraud" consisting of "switching ballot boxes and switching them with stuffed boxes."

Analysts predict that Mr Ramos, the administration-backed candidate, will emerge the clear winner once votes from the remote regions come in.

French inflation at 3.1%

French prices rose by between 0.2 per cent and 0.3 per cent in April, the 11th consecutive month that France's rate of inflation has been lower than Germany's, writes William Dawkins in Paris.

This brings to 1 per cent the rise in French inflation since the turn of the year, or 3.1 per cent over the past 12 months, according to provisional figures. That represents a slight decline in the annual rate, from 3.2 per cent in March.

However, economists believe the trend is stable, since prices fell automatically in April thanks to the government's decision to reduce the top rate of VAT from 22 per cent to 18.6 per cent. This month's inflation will be affected by the 10.5 per cent rise in tobacco prices from April 27, part of the government's anti-smoking campaign.

India outlaws Tamil Tigers

India has outlawed Sri Lanka's separatist Tamil Tigers guerrillas, whom it blames for the assassination of former prime minister Rajiv Gandhi, Reuter reports from Colombo.

Indian Home Minister Shankarrao Chavhan described the Tigers, once armed and trained by India, as a threat to the "sovereignty and territorial integrity of our country". The Tigers turned against Mr Gandhi after he sent Indian troops in 1987 under a peace accord with Colombo to end more than four years of armed rebellion for an independent homeland for Sri Lanka's Tamil minority.



AEGON N.V., registered offices at The Hague, The Netherlands
At the Annual General Meeting of Shareholders held on May 13, 1992, the dividend for the 1991 fiscal year was fixed at Dfl.7.35 per common share of NLG 5.00 par value. After deduction of the interim dividend of NLG 2.20 - already made payable - the final dividend amounts to NLG 5.15 per common share of NLG 5.00 par value.

At the option of the shareholder, the final dividend may be taken entirely in cash or partly in stock. The cash part of the final dividend amounts to NLG 1.30. The stock dividend part amounts to 1/23 in new common shares of NLG 5.00 par value to be paid out of the tax-free paid-in surplus, or if so required, out of the 1991 net income.

Except for holders of New York shares, the final dividend will be payable as from May 27, 1992 at the head offices of ABN AMRO Bank N.V., Bank van Hollen, Labouchere N.V., Coöperatieve Raiffeisen-Baenlenbank B.A., NMB Postbank Groep N.V., Pierson, Heldring & Pierson N.V., Bank Mees & Hooge N.V., Kredietbank N.V., Brussels, Kredietbank S.A., Luxemburg, Schweizerische Kreditanstalt, Schweizerische Bankgesellschaft, Zurich, Basel and Geneva, Deutsche Bank A.G., Düsseldorf, and J. Henry Schroder Wag & Co. Ltd., London.

For shareholders who opt for payment entirely in cash, dividend coupon no. 32 will pay NLG 1.30 and no. 33 will pay NLG 3.85 less 25% dividend tax.

Shareholders of common shares who opt for payment in shares will receive one new common share of NLG 5.00 par value upon surrender of the dividend coupons no. 32 or 33 common shares of NLG 5.00 par value. These new shares will participate fully in the results for 1992 and subsequent years. Coupons must be surrendered to N.V. Nederlandse Administratie en Trustkantoor, Amstelweg 420, 1017 BZ Amsterdam, The Netherlands.

After June 30, 1992, the final dividend is only payable in cash.

The published rates of commission will be paid to members of the Amsterdam Stock Exchange to enable them to exchange dividend coupon no. 33 without charging commission to shareholders. Rights to payment of dividend in the form of common shares will be made available to holders of CF Certificates through the intermediary of the institutions acting as custodians of the coupon sheets to their shares at the close of business on May 13, 1992.

The Executive Board
The Hague, May 13, 1992
50 Mariahoeveplein

Confidential report puts bad and doubtful debts at Y42,000bn to Y53,000bn

Japanese banks face 'serious' debt problem

By Stefan Wagstyl and Peter Martin in Tokyo

THE collapse of the Japanese property boom has left banks with a bad debt problem that is "serious but not lethal", according to a senior official of the Bank of Japan, the central bank.

Yesterday, the stock market lost some of its recent gains, on renewed worries about banks' exposure to property sparked by the troubles of Olympia & York. The Nikkei index closed down 730.33 at 15,074.27.

The central bank official said Japan's bad loan data were "still a moving target" because the commercial property market had not yet stabilised. "Nobody at this moment can

possibly have an accurate estimate because the situation in real estate is so fluid," he said.

The official said the Bank of Japan had been carrying out "all sorts of mental exercises" to calculate the possible magnitude of the problem.

A report circulating among bankers in Tokyo, said to be based on confidential Bank of Japan data, puts the total bad and doubtful debts of the banks and financial institutions at Y42,000bn to Y53,000bn (£177bn to £224bn).

The report obtained by the Financial Times, indicates total potential problem loans are far greater than the banks or the authorities have hitherto admitted. Moreover, the estimate is based on figures collected at the end of last Sep-

POTENTIAL DOUBTFUL LOANS AT JAPANESE FINANCIAL INSTITUTIONS (Ybn)

	Total loans	Doubtful loans (range)
City banks	236,900	13,700-18,300
Long term credit banks	47,100	5,400-7,300
Trust banks	59,300	7,300-9,800
Regional banks	178,000	5,200-8,900
Other	181,700	10,300-13,600
Total	644,400	42,000-56,000

Source: Japanese bankers' estimates

tember. A further fall in land prices since then could well have aggravated the position. However, the figures add together different categories of problem loans - including loans on which at least some interest is being paid as well as

those where interest payments have stopped altogether. They are also calculated without taking account of the value of collateral.

For the three categories of leading national banks - the top commercial or "city"

banks, the long-term credit banks and trust banks - problem loans total Y26,400bn-Y35,400bn.

This compares with a figure published by the Ministry of Finance last month of Y7,000bn-Y18,300bn for loans at these banks on which interest had not been paid for six months or more.

The contrast suggests that the ministry's figures could grow markedly in the next year or two, as more loans move from the doubtful to the non-performing category.

The report says estimated total problem loans of Y42,000bn-Y53,000bn account for 6.8-7 per cent of total loans as at the end of September 1991. Of this, some Y19,000bn-Y25,000bn are loans

to property companies and a further Y23,000bn-Y31,000bn are loans to non-bank financial companies, which in turn lent heavily to property developers.

The biggest burden falls on city banks, with problem loans of Y13,700bn-Y18,300bn. However, other banks have higher ratios of problem loans to total loans - including long-term credit banks, trust banks and non-life insurance companies.

Japan-based foreign banks also suffered damage - with some Y1,300bn-Y2,500bn in problem loans, fully 16.3-20.7 per cent of their total loans in Japan. The figure for foreign banks confirms anecdotal evidence of foreign banks lending to Japanese non-banks relatively late in the property boom.

Hint of new pay offer in Germany

By Quentin Peel in Bonn

GERMANY'S engineering employers yesterday hinted at an improved pay offer and new talks with the engineering workers were agreed for today, the first ray of hope in the country's embattled industrial relations.

Negotiations will be reopened in Karlsruhe for the key north Baden-Württemberg area, home to such big engineering employers as Daimler-Benz and Robert Bosch, and to 700,000 of Germany's 4m engineering workers.

The region is the one which produced a breakthrough in each of the past two years of negotiations, giving rise to a degree of optimism otherwise scarce, justified by the progress of the talks so far.

Mr Hans-Joachim Gottschal, president of the Gesamtmetall employers' organisation, indicated in a radio interview that a new offer was probable, but he also insisted that the 5.4 per cent pay award agreed in the public sector could not be a target for the engineering industry.

Mr Dieter Hundt, leader of the employers' side in north Baden-Württemberg, said that after the collapse of last-ditch negotiations in both Hesse and North Rhine-Westphalia it was still important "to use every chance, however slim, to come to an agreement at the negotiating table".

At the moment the gap between IG Metall, the huge engineering workers' union, demanding a 9.5 per cent pay rise, and Gesamtmetall, offering 3.3 per cent, seems dauntingly wide.

Although some union leaders have suggested that a deal could be done around 6 per cent, the employers insist that is still too high.

Kohl agrees more power for Länder

By Quentin Peel in Bonn

CHANCELLOR Helmut Kohl yesterday agreed in principle to rewrite the German constitution to give the 16 German states much wider powers to control any future transfer of sovereignty to the European Community.

All members of the community agreed in principle to implement the Convention on Europe treaty, which calls for deep cuts in conventional weapons.

Russian President Boris Yeltsin said the high number of refusals in signing the defence pact was a "cause for regret and even a degree of misunderstanding. We are talking here about collective security. The entire world is moving towards this," he said.

Mr Vitold Fokin, Ukraine's prime minister, said the pact was incompatible with other Commonwealth agreements which had anyway failed to halt ethnic conflicts.

Senior officials are fearful the deal - not yet finalised - will severely restrict Germany's room for manoeuvre to negotiate with its EC partners.

It means in future any transfer of sovereignty to Brussels must be approved by two-thirds majorities in both chambers of the German parliament, including the Bundestag, representing the states.

The deal proposed by the states would not be simply restricted to those responsibilities which already belong to the 16 states - such as education, police or tourism - but extend to any area of European political union, such as defence and foreign policy.

The new article in the constitution to be drafted in the coming weeks will set a "United Europe" or "United States of Europe" as a formal goal of the German state, provided it is compatible with the principles underlying the German constitution, democracy, federalism, rule of law, and social justice.

Madrid to press ahead with anti-strike laws

By Peter Bruce in Madrid

THE Spanish government is to press ahead with tough new anti-strike legislation after failing to reach agreement with trade unions in negotiations last week.

Just two weeks before a general strike planned for May 28, the government has decided to abandon negotiations on the

law with the unions. Union leaders attacked the government's decision to take its proposals to parliament as "provocative".

The law, certain to be passed in the next few months, seeks to regulate the way strikes are run. It would allow the state to impose minimum services during strikes, fine or sack strike leaders, withdraw state

subsidies to unions, and give judges the power to decide whether a strike was political and therefore illegal.

Growing union dissatisfaction

over the strike law has added to ill-feeling between the government and the unions and the proposed legislation - along with Madrid's decision to save \$4bn (£2.2bn) this year by cutting unemployment

benefits - helped trigger the half-day strike planned for the morning of May 28.

The government ordered the jobless benefit cuts in April as part of its proposals to cut public deficits and take Spain into European Economic and Monetary Union by 1997. It believes it may have driven the unions into a corner by forcing them to strike.

The deal proposed by the states would not be simply restricted to those responsibilities which already belong to the 16 states - such as education, police or tourism - but extend to any area of European political union, such as defence and foreign policy.

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Prado to lose masterpieces

A new collection arrives, and Guernica moves, reports Tom Burns

JUST as Madrid prepares to receive a fabulous artistic windfall, Spain's cultural bureaucracy is pillaging the long-established Prado museum of its 20th-century treasures.

This weekend the first of 900 paintings owned by Baron Heinrich-Hans Thyssen-Bornemisza will be packed in Lugano, Switzerland, for eventual hanging in a lavishly renovated 18th-century building across the street from the Prado.

Next week the trustees of the Prado will be told the Culture Ministry has decided to remove Pablo Picasso's Guernica and put it in an arts centre called the Reina Sofia, to be inaugurated next month.

"It is as if the Louvre was ordered to hand over its antiquities to a new archaeological museum," says Mr Alfredo Pérez-Armanin, a former director general of Fine Arts - a section of the ministry - and a prominent member of the Friends of the Prado Association.

Fuelling the controversy is the fact that Picasso, who was briefly the Prado's director, had specified that, once democracy was restored to Spain, Guernica should hang in the nation's premier museum.

The soaring canvas, which condemns the 1937 bombing of the Basque town of the same name during the Spanish Civil

War, was painted in Paris and hung in New York until 1981.

Under the Culture Ministry's plans the Prado will also lose to the Reina Sofia arts centre 63 preliminary sketches that Picasso made for Guernica, and the small but strong collection of Juan Gris and Joan Miró canvases donated to the museum by the cubist art historian Douglas Cooper and by Miró's widow.

Mr Pérez-Armanin points out that if the ministry rides roughshod over donations made to the Prado, the museum can hardly expect to receive any more.

"Why cannot the Prado be a proper home for Picasso, Miró, Gris and other masters of our century?" asks Mr Francisco Calvo Serraller, one of Spain's most influential art critics.

Laments among Prado supporters do not end there. The Thyssen-Bornemisza collection, which will remain in Madrid for nine years, will make the city a magnet for art-lovers. But it effectively deprives the Prado of both funds and space for a long overdue enlargement.

A total of \$18bn (£13bn) was set aside from the state budget to prepare the collection's new premises and to establish a

T

he Culture Ministry says it has no money to offer the Prado alternative accommodation. It did not skimp, however, on the main beneficiary of the Prado's losses: Prado has been spent to transform the Reina Sofia, a huge 200-year-old former hospital, into a modern art museum.

NEWS: UK

Institutions pressed to maintain payments due from Maxwell company schemes

Tories urge aid for pensioners

By David Owen

SIX senior Tory MPs are putting pressure on banks and other financial institutions which deal with the late Mr Robert Maxwell, saying that they have a moral obligation to ensure that all Maxwell pensioners continue to receive their pensions.

The campaign by the Conservative backbenchers urging institutions involved in the Maxwell affair to set up a fund to maintain payments to the

pensioners will gather momentum next week, when MPs meet some of the companies.

The move follows yesterday's tabling of a parliamentary early day motion advocating such a fund by six senior Tories, headed by Mr Spencer Batiste, the MP for Elmet, near Leeds.

The motion says financial institutions that were "unwise" enough to have dealings with the late tycoon have a "moral obligation" to ensure the government to commit itself to any action.

Continue to receive their pensions. Setting up a fund to maintain payments until ownership of the main assets had been established would be "without prejudice" to the institutions' legal claims.

This attempt to enlist private-sector help follows failure to gain government commitments of financial support. Ms Ann Widdecombe, a junior social security minister, has said it would be premature for the government to commit

itself to any action.

Mr Batiste said: "My impression is that at the end of the day there will be a legal settle-

ment involving financial institutions coughing up a fair amount." It would be wrong for the government, which appears to have no legal liability, to "come forward and let those with liabilities off the hook".

Mr Batiste, a vice-chairman of the Tory backbench trade and industry committee in the last parliament, admits to a strong constituency interest as "240 odd" Maxwell pensioners whose payments have been stopped live in Leeds.

change jobs in the second half of the year.

Demand for individuals who have qualified with the Chartered Institute of Management Accountants was now exceeding Chartered Accountants, reflecting their greater commercial experience.

Nationwide Bank of North Carolina agreed terms with Hammersmith and Fulham Council, which had faced a claim from the bank for \$205,000 plus interest of more than £150,000 and legal costs. The agreement means that all six of the swaps test cases have been settled out of court on undisclosed terms. John Mason writes.

Nearly 50 per cent of companies offer some form of bonus in addition to salary. Two thirds offer share options and season ticket loans, as well as 28 per cent profit-sharing schemes.

The proportion of companies offering benefits was down slightly on previous years, although Mr Grout said there was an increase in a "flexible menu" of benefits.

It said that just over half of the companies questioned made staff redundant. The proportion was highest in the west Midlands, where 61 per cent of companies shed employees. Most who lost their jobs were clerical staff.

Recruitment advertising declined by 60 per cent last year, while 21 per cent of companies reported more than 200 replies to a single advertised vacancy.

Mr Grout said that while the quantity of job applicants had risen, the quality had not, although he expected many higher-calibre candidates who are currently employed to

Final swaps test case settled

THE LAST of six test case actions in the High Court between banks and local authorities over interest rate swaps transactions has been settled out of court on undisclosed terms. John Mason writes.

Nationwide Bank of North Carolina agreed terms with Hammersmith and Fulham Council, which had faced a claim from the bank for \$205,000 plus interest of more than £150,000 and legal costs. The agreement means that all six of the swaps test cases have been settled out of court.

A High Court hearing will be held on June 8 to determine whether new test cases should be selected.

Airline takes Prestwick stake

FEDERAL EXPRESS, the US all-cargo airline, is buying 10 per cent of the company that runs Prestwick airport in Scotland. It has also signed a 10-year lease for an enlarged freight and express parcel operation at the airport.

The move, the first time Federal Express has taken an ownership stake in an airport, is a boost to PIK, the private company that took over running the airport after it was sold last month by BAA, the former British Airports Authority.

Venture group boosts investment

THE venture capital group 3i has nearly doubled its level of new investment in the UK in the past six months, helped by increasing confidence in the economy.

Mr Ewen Macpherson, chief executive, said the level of investment had been boosted partly by "the encouraging number of management buy-outs". The group made new investments of more than £275m in the six months from October last year to March, an increase of 90 per cent on the same period in the previous year.

Channel ferry route to reopen

THE Newhaven-Dieppe cross-Channel car ferry route, closed by its French operator at the end of last month, is to be reopened by Sealink Stena Line of the UK.

The two French vessels that previously served the route have been chartered by Sealink and will be put back into service on the route - one of them next Thursday and the second a week later.

Prescott wins union backing

MR JOHN PRESCOTT, Labour transport spokesman, has won the backing of two union executives in his challenge for the deputy leadership of the party. The backing comes from Nupse, the public-service union, and GPMU, the print union.

Blunkett calls for Labour reforms

SWEEPING reforms of Labour's organisation were urged last night by Mr David Blunkett, a member of the party's national executive and campaign manager for Mr Brian Gould's leadership bid.

Mr Blunkett said the party's general election defeat should be followed by a radical reorganisation which would switch the focus of its effort from its headquarters to local activists.

Nadir hearing

AN APPLICATION from Mr Asil Nadir, the former Polly Peck chairman and chief executive for the dismissal of some or all of the charged against him is to be heard at Stamford Crown Court on Monday, where Mr Justice Tucker, the judge assigned to Mr Nadir's case, is on circuit.

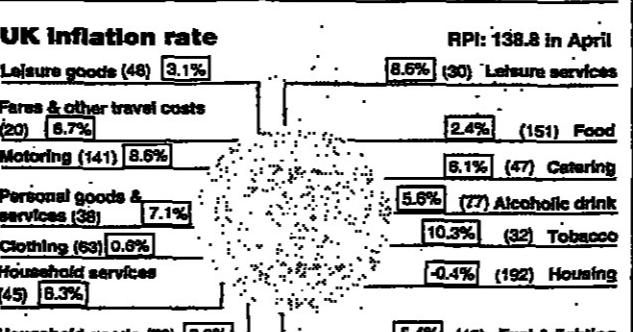
Mr Nadir faces 68 charges of theft and three of false accounting for amounts totalling \$100m. His trial is due to begin in March next year.

Fayed complaint

A COMPLAINT by the Fayed brothers that a Department of Trade and Industry inspector's report into the 1985 takeover of the House of Fraser stores group infringed their human rights is to be heard by the European Court of Human Rights in Strasbourg.

Lecturers' pay

THE Association of University Teachers yesterday accepted a 5.75 per cent pay offer.



Figures in brackets are weights in retail prices index in parts of 1,000

Percentages represent annual % change to April 1992

Repairs and maintenance charges also rose.

Prices of household goods rose only 0.1 per cent on the month, the smallest increase since 1987. That reflected discounts on furniture and furnishings.

There were also steep price increases in the housing component of the index, which rose 3.3 per cent on the month. The CSO said poll tax bills had increased by 13.3 per cent on average, and water and sewerage charges by 10.1 per cent.

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Mr Grout said that while the quantity of job applicants had risen, the quality had not, although he expected many higher-calibre candidates who are currently employed to

THATCHER'S SPEECH ON EUROPE

Bruges II lives up to its billing

SENIOR Conservatives these days are inclined to respond to Mrs Margaret Thatcher's public pronouncements on the future of Europe with a carefully patronising smile.

Their expressions carry a simple message: "Of course we listen but, well, the former prime minister is finding it so difficult to adapt to retirement; we should not be surprised if she sometimes sounds a little eccentric."

It is an image for which Mrs Thatcher must accept some of the blame. Even as prime minister she tended to shoo from the hip. Freed from the steady-hand of her Downing Street office, she has too frequently allowed intemperate language and unguarded outbursts

against her successor to blur her message.

She did not make that mistake yesterday. Her speech on Europe's political architecture during the 1990s ceded no ground to those who believe in a federal future for the continent, but it carefully avoided gratuitous criticism of Mr John Major for his willingness to remain, albeit grudgingly, in the route mapped out by Britain's European partners.

The speech was billed "Bruges II", the follow-up to her devastating attack four years ago on the ambitions of Mr Jacques Delors, the president of the European Commission. It lived up to the billing.

The central theme was that everything that has happened

since Bruges has strengthened rather than weakened her argument for a loose confederation of sovereign states rather than a federalist superstate.

She is as concerned as ever about the dominant role Germany might take in a tightly knit community; as certain as ever that the way to constrain German ambitions is to widen rather than deepen the community.

Mr Major, no great admirer of the commission, is sympathetic to some of the detail of her analysis. In spite of Downing Street's deliberately low-key response, it is one that is impossible to reconcile with the prime minister's commitment at the heart of Europe.

Philip Stephens



GLOBAL

Anti-federal call: Margaret Thatcher speaking at the Global Panel conference yesterday

Act to accumulate powers of greater direction and regulation - Europe is reaching the point at which it must choose between these two approaches. Is it to be a tightly regulated, centralised bureaucratic federal state, imposing uniform standards throughout the continent? Or is it to be a loose, grant decentralised free-market Europe of sovereign states, based upon competition between different national systems of tax and regulation within a free trade area?

The federalists at least seem to be clear. The Maastricht Treaty met the commission's requirement for a "single institutional framework" for the community. Yet, before the ink was even dry on the treaty, it was reported that the president of the European Commission was seeking more money and more powers for the commission which would become the executive of the community - in other words a European government...

Nevertheless Germany's power is a problem - as much for the Germans as for the rest of Europe. Germany is too large to be just another player in the European game but not large enough to establish unquestioned supremacy over its neighbours...

What follows from this is that German power will be best accommodated in a looser Europe in which individual nation-states retain their freedom of action...

Europe free and democratic

Now - with the commission exploiting the Single European

about the urgency with which they press the federalist cause... A half-Europe imposed by Soviet tyranny was one thing; a half-Europe imposed by Brussels would be a moral catastrophe depriving the Community of its European legitimacy.

The role of the commission

In 1986, when the arrangements agreed at Maastricht were to be reviewed - and probably a good deal earlier - the community should move in exactly the opposite direction to that proposed by the European federalists.

A community of sovereign states committed to voluntary co-operation, a lightly regulated free market and international free trade does not need a commission in its present form. The government of the community - to the extent that this term is appropriate - is the council of ministers, consisting of representatives of democratically elected national governments. The work of the

commission should cease to be legislative in any sense. It should be administrative.

Co-operation in Europe

Why need every new European initiative require the participation of all members of the community? It will sometimes be the case - especially after enlargement - that only some community members will want to move forward to another stage of integration.

Here I pay tribute to John Major's achievement in persuading the other 11 community heads of government that they could move ahead to a Social Chapter, but not within the treaty and without Britain's participation. It sets a vital precedent...

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If the European Community proceeds in the direction which the majority of member state governments and the commission seem to want, they will create a structure which brings insecurity, unemployment, national resentment and ethnic conflict.

City puts rise in inflation down to special factors

By Emma Tucker, Economics Staff

NEWS THAT the annual rate of headline inflation jumped to 4.3 per cent in April failed to fluster the City yesterday with most economists and the Treasury attributing the rise to special factors rather than underlying pressures.

According to the Central Statistical Office (CSO), the 1.5 per cent leap in the retail prices index from 186.7 in March to 188.8 in April mainly reflected price rises for tobacco, alcohol, petrol and vehicle licences that resulted from higher excise

duties introduced in the March budget.

The rise was exacerbated by last year's £140 reduction in poll tax bills dropping out of the index, although that was partly offset by much of last year's increase in VAT also dropping out of the 12-month comparison.

Many of the increases for other goods and services were less than a year ago and seasonal food prices fell by 1.9 per cent, the first drop recorded in April since 1972. That brought the year-on-year rate of inflation for seasonal foods to minus 2.5 per cent, the lowest

since February 1988, when it was minus 3.3 per cent.

The CSO said the fall was due in particular to plentiful imports and home-grown supplies of tomatoes, lettuces and cucumbers, along with slightly lower demand in mid-April. Non-seasonal food prices fell, saving 0.1 per cent on the month.

Prices in all the other components of the index rose in April, with tobacco showing the biggest increase. The CSO said the average price of 20 king size cigarettes rose from £1.97 in March to £2.09 in April.

Prices of household goods

rose only 0.1 per cent on the month, the smallest increase since 1987. That reflected discounts on furniture and furnishings.

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Ravenscraig to close by end of June

By James Buxton, Scottish Correspondent

BRITISH STEEL is to bring forward the closure of the Ravenscraig steelworks in Scotland to the end of next month. It says market conditions mean there will be no need for the plant's output after that date.

The company announced in January that it would close the remaining parts of the integrated steel complex at Motherwell near Glasgow, "no later than September".

Shop stewards at Ravenscraig, which now employs 1,200 people, said the news had not come as a complete surprise. Mr George Quinn, crafts convener, said: "Most people inside the plant will be relieved because they now actually know when the closing date is. They are not hanging on."

Opposition politicians in Scotland reacted angrily. The Scottish National party said: "We now face the scandal of an efficient, productive industry being butchered while the largest single market for steel in Europe, the North Sea, lies off our coasts."

Mr Ian Lang, the Scottish secretary, whom British Steel informed shortly after releasing the news of the closure date, said the early closure was regrettable, although it came as no surprise. It was now time to concentrate on plans for the

future of the Lanarkshire area, where an enterprise zone is to be created.

British Steel's action is a further sign of its difficulties. It said the market for strip products, in which Ravenscraig operates, had not improved since the January closure announcement.

Although demand in the UK was "not too bad", the company said, there was falling demand accompanied by uneconomic price levels in the European market. British Steel's two plants in south Wales had stocks to cope with current UK demand and any uplift from other markets.

The closure affects both Ravenscraig and the related ore and coal handling terminal at Hunterston on the Firth of Clyde.

The company is providing a counselling service for employees and will relocate some of them to other parts of the company.

The final rundown of Ravenscraig started with the closure of its strip mill early last year, with the loss of 770 jobs. A further 1,245 jobs went last summer when British Steel closed one of the two working blast furnaces at the plant.

Last month Nucor, the US steel producer, said it would investigate the possibility of establishing a 1.2m-tonnes-a-year mini-mill on a greenfield site in Scotland.

BP sheds 330 jobs in Scotland

By Neil Buckley

BRITISH Petroleum is to shed 330 jobs in its chemicals operation at Grangemouth, on the Firth of Forth in Scotland.

The losses are the result of a company-wide review of operations. The company said reorganisation and revised work practices at Grangemouth were essential if the plant was to remain competitive.

About 225 of the redundancies are among BP staff, the rest among contract and agency staff. They will be phased over 18 months, and the company said it hoped most could be achieved voluntarily. Grangemouth oil and chemicals complex employs 2,050 people at present.

The cost-cutting programme has already brought redundancies at two of the company's four other UK sites. Four hundred job losses were announced at the company's plant in Hull; Humberside, and 120 at Baglan Bay in south Wales.

The BP group last week announced an 80 per cent decline in first-quarter profit, which was insufficient to cover its dividend payment. The chemicals division, suffering in the recession, lost £25m compared with a £24m profit in the same period last year.

• Three hundred jobs will be lost following a decision by Asda, the supermarket group, to close 17 stores belonging to its Allied Maples carpet and furniture subsidiary. The closures follow a strategic review of the business. Allied Maples blamed the recession for difficult trading conditions.

Leak fury checks talks on Ulster

By Ralph Atkins

A ROW over the leaking of nationalists' plans for Northern Ireland yesterday overshadowed negotiations on the province's future and reduced still further the chance of success in the "round table" talks in Belfast.

After an incident that deepened distrust between Unionists and the mainly Roman Catholic Social Democratic and Labour party, Sir Patrick Mayhew, the Northern Ireland secretary, said the leak "must have been calculated ... to frustrate the talks".

His statement after a plenary session and bilateral meetings with the party leaders suggested that the day's exchanges had been dominated by the leak and had led to a fresh delay before real issues are debated. Last year's talks initiative failed because of similar seemingly small but deeply

Jersey row sparks call for change

By Andrew Adonis

THE ROW between Britain and Jersey caused by the home secretary's dismissal of one of the island's judges may lead to its assembly seeking some constitutional changes.

Jersey's distinctive financial regime, however, and its status as an autonomous territory under the British Crown are not at stake in the dispute.

Earlier this week Mr Kenneth Clarke dismissed Mr Vernon Tomes, Jersey's deputy bailiff, a post combining judicial functions with the deputy speakership of the states, Jersey's autonomous assembly. The reason for dismissal was inefficiency in delivering legal judgments.

The decision angered many islanders, and Mr Tomes has announced his intention to stand for election to the states when elections are due in St Helier.

Moves are also afoot to split the judicial from the political functions of the deputy bailiff's post, to restrict the scope for future interference from London in the island's political affairs.

"Feeling here is strong," said Mr Pierre Horfall, president of the states' finance and economics committee. "But there is no question of instability - or of any threat to the island's political and economic systems from mainland Britain."

The Queen, on the advice of ministers, appoints judges and a lieutenant governor for the island. Beyond that, Jersey enjoys almost complete fiscal and legislative autonomy from the British mainland.

Symbolic rows. A further plenary session has been called for Monday.

The SDLP proposed the appointment of six commissioners for Northern Ireland. Three would be elected locally and one each by the UK and Irish governments and the European Community.

The plan would horrify unionists - if only because of Dublin's enhanced role in the province's affairs - and the leaking of the SDLP document would increase pressure on Mr James Moloney and the Rev Ian Paisley, the Unionist leaders, from their more extreme supporters to resist making concessions to the SDLP.

Sir Patrick's statement was, however, agreed by all the party leaders. He said: "For my part I'm wholly satisfied that anyone who leaked this document had no vestige of authority to do so on behalf of any political party."

air europe



Package of trouble: holidaymakers grounded by the Air Europe failure last year. The industry hopes to provide comprehensive protection for package holiday customers

NEWS: UK

Reservations for return fares

Michael Skapinker on travel trade plans to help stranded tourists

Trust Fund. Many ferry-based holidays, but not all, are well protected.

Companies selling ferry-based holidays often have a bond arranged by Abta or another trade body.

If the bond is insufficient to cover the consequences of a company collapse, Abta's insurance makes up the shortfall.

If that is exhausted, Abta members dig into their own pockets, as they did in last year's school-tour operator failures.

Mr Duncombe says, however, that an unknown number of ferry-based holiday companies is selling unprotected holidays.

Mr Richard Atkinson, managing director of Eurocamp,

which sells camping and mobile home holidays, says the level of his company's bond under the DTI proposals would be between 30 per cent and 40 per cent of turnover.

"We could do it, although it would be difficult for us. But it would drive others out of business."

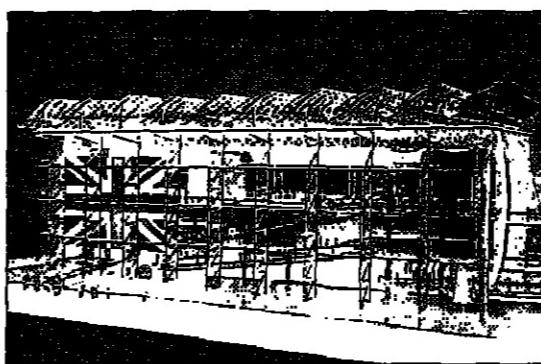
The travel industry believes that the best way to implement the EC directive is to require every company taking travellers abroad to be licensed, under the control of a new independent authority set up to complement the existing ATOL system.

The consumer would be protected and the industry would be happy. The DTI's new management should find the argument irresistible.

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ECONOMIC DIARY

TODAY: Annual conference of the Association of Private Client Investment Managers and Stockbrokers at the Grand Hotel, Birmingham. Mr Douglas Hurd, foreign secretary, attends talks in Kuwait between the European Community and Gulf Co-operation Council.

TOMORROW: National Savings results (April).

MONDAY: CBI survey of distributive trades (April). The World Bank publishes annual World Development Report. EC agriculture council starts two-day meeting in Brussels. OECD annual meeting in Paris. Middle East regional talks continue on senior official level in Tokyo. Organisation of American States annual assembly in Nassau. First round of mass privatisation of thousands of state firms begins in Czechoslovakia. CBI conference "After Maastricht - Prospects for EC Social Policy 1992" in London.

TUESDAY: UK acquisitions and mergers (first quarter). Public sector borrowing requirement (April). Index of output of the production industries (March). Financing of the central government borrowing requirement (first quarter). Monetary statistics including: M4 sectoral analysis; bank and building society sterling lending (first quarter). US housing starts, building permits (April). CBI annual dinner in London.

WEDNESDAY: Retail sales (April). US merchandise trade (March). Spring meeting of EFTA council of ministers.

THURSDAY: Capital expenditure of the manufacturing industries (first quarter-provisional). Major British banking groups' monthly statement (April). Provisional estimates of monetary aggregates (April). Provisional estimates of monetary aggregates (April).

FRIDAY: Manufacturers' and distributors' stocks (first quarter - provisional). CBI monthly trends enquiry (April). Gross domestic product (first quarter - provisional estimate).

FT-ACTUARIES SHARE INDICES													
EQUITY GROUPS & SUB-SECTIONS													
Friday May 15 1992													
Index No.	Day's Change %	Est. Earnings Div. (Max.)	Gross Div. (Max.)	Est. P/E Ratio (Max.)	Adj. P/E Ratio (Max.)	Adj. P/E Ratio (Max.)	Index No.						
1 CAPITAL GOODS (179)	917.86	-0.5	6.47	5.07	20.14	14.00	920.00	924.23	923.22	818.07	928.44	1115	738.74
2 Building Materials (22)	1097.86	-0.5	5.04	5.39	27.42	19.03	1103.20	1114.27	1113.17	1057.47	1121.52	1115	872.32
3 Contracting, Construction (23)	1039.85	-0.8	3.53	5.81	59.30	23.82	1048.61	1055.91	1055.29	1288.75	1069.64	1115	827.89
4 Electronics (20)	2732.05	+1.5	6.77	5.40	68.82	42.97	2667.84	2649.02	2649.03	2729.43	2725.20	1515	2256.79
5 Electronics (29)	2035.53	+0.1	8.81	4.17	14.38	5.05	2033.51	2080.64	2069.20	1742.98	2080.84	1315	1655.93
6 Engineering-Aerospace (7)	400.91	-0.1	8.75	6.48	14.50	11.16	400.38	397.18	396.85	427.27	566.47	1515	225.34
7 Engineering-General (44)	372.48	-0.2	7.36	4.15	16.86	7.82	371.69	374.88	373.83	443.38	376.74	1515	455.80
8 Metal and Metal Forming (6)	566.21	-0.2	8.88	9.30	-	2.03	572.76	574.88	573.83	560.47	572.76	1515	596.67
9 Motors (14)	388.24	-1.1	6.91	6.09	19.01	9.96	387.72	391.66	390.33	393.74	387.72	1515	412.42
10 Other Industrial Goods (17)	400.44	-0.1	8.84	6.48	14.50	11.16	400.38	397.18	396.85	427.27	566.47	1515	225.34
11 OTHER INDUSTRIAL GROUP (188)	1272.47	-0.4	5.05	3.32	17.40	16.67	1782.21	1785.81	1785.67	1781.27	1781.38	1115	1524.23
12 Paints and Dyes (24)	730.24	-0.3	7.32	3.31	16.18	16.84	2204.32	2244.73	2253.23	1891.63	2278.85	1115	2209.36
13 Food Manufacturing (28)	2307.76	-0.5	8.23	4.02	15.04	20.33	1316.48	1315.41	1322.54	1151.14	1327.80	1115	1212.43
14 Foot Retailing (18)	2671.14	-0.2	8.05	6.03	16.14	20.23	2964.66	2986.67	2977.16	2971.97	2983.78	1415	1402.70
15 Health and Household (24)	104.62	-0.5	6.72	2.58	16.96	35.84	412.43	419.56	428.25	351.90	465.94	1415	104.62
16 Hotels and Leisure (20)	1324.84	-0.5	9.90	4.77	21.93	23.50	1445.63	1449.36	1437.37	1449.78	1450.78	1415	1320.11
17 Media (25)	1666.62	-1.1	5.70	3.29	21.92	18.07	1665.47	1704.77	1711.70	161.89	1721.00	1115	1402.70
18 Packaging, Paper & Plastic (17)	854.94	-0.5	6.18	3.86	17.79	18.04	854.97	875.53	872.27	870.27	875.53	1115	1009.21
19 Stores (33)	310.40	-0.1	7.41	4.19	20.26	17.40	310.40	317.46	317.46	317.46	317.46	1115	307.29
20 All Industries (201)	741.70	-0.7	6.22	4.19	20.26	17.40	741.70	740.77	740.77	740.77	740.77	1115	1146.54
21 OTHER GROUPS (114)	1324.43	-0.6	9.02	4.85	13.99	14.24	1311.81	1329.28	1348.90	1223.79	1339.32	1115	1223.67
22 Chemicals (22)	1489.93	-0.2	6.55	4.24	19.46	14.66	1493.45	1497.63	1495.63	1223.20	1511.11	1115	1223.67
23 Conglomerates (13)	1432.71	-0.7	9.02	6.63	13.84	24.37	1660.27	1612.63	1613.15	1613.15	1629.99	8/5	1392.48
24 Transport (14)	2700.39	-0.7	4.67	4.21	28.45	30.47	2719.16	2714.74	2716.01	2716.52	2718.88	1115	2224.85
25 Telecommunications Network (16)	1456.40	-0.1	8.80	4.22	22.09	22.02	1448.99	1448.99	1448.99	1448.99	1448.99	1115	1224.20
26 Water (10)	2930.90	-0.7	15.04	5.62	7.31	1.00	2921.29	2900.95	2905.95	2913.77	2924.20	1115	2924.20
27 Miscellaneous (22)	2102.59	-1.0	5.61	4.69	23.33	21.83	2124.50	2123.72	2123.72	2123.72	2123.72	1115	1770.94
28 FTSE 100 SHARE INDEX	1398.74	-0.4	7.55	4.33	16.56	15.74	1404.84	1407.05	1418.64	1226.44	1427.97	1115	1223.76
29 FTSE 100 SHARE INDEX (500)	1047.09	-0.6	7.52	4.39	16.71	13.00	1417.22	1404.03	1405.81	1389.28	1405.93	1115	1229.02
30 FINANCIAL GROUP (37)	733.74	-0.7	5.79	17.10	18.29	18.29	706.46	703.11	706.46	151.37	706.46	1115	1511.16
31 Banks (9)	594.93	-0.3	4.85	4.85	32.61	24.58	997.68	1005.32	998.96	892.02	1005.32	1115	799.74
32 Insurance (Life) (6)	1351.59	-1.2	5.74	4.21	28.45	28.45	1599.19	1595.55	1595.55	1599.19	1599.19	1115	1243.64
33 Insurance (Compiled) (7)	459.92	-0.6	7.26	13	16.56	59.91	459.92	564.54	564.54	660.91	564.54	1115	419.98
34 Insurance (Brokers) (10)	884.87	-1.7	7.92	16.61	16.61	21.48	1001.62	1007.44	1003.44	1013.21	1017.99	1115	891.94
35 Property (63)	209.53	-0.5	7.45	4.07	20.26	19.55	512.27	512.90	512.90	512.90	515.95	1115	512.90
36 Other Financial (15)	254.63	-0.3	7.70	17.94	6.26	26.55	265.92	265.92	265.92	264.49	264.49	1115	221.16
37 All Industries (201)	1303.73	-0.4	5.44	3.54	18.45	1309.31	1319.30	1319.48	1112.72	1326.15	1115	1312.45	
38 FTSE 100 SHARE INDEX	1303.73	-0.4	5.44	3.54	18.45	1309.31	1319.30	1319.48	1112.72	1326.15	1115	1312.45	

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FINANCIAL TIMES

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Saturday May 16 1992

A long and dismal haul

EVEN FOR those who believe that a recovery is imminent, the economic news in Britain this week must have seemed unrelentingly awful. The bits that mattered could best be summarised in telegraphic form: inflation up, unemployment up, Olympia & York down. The only consolation for the government was that the recent election result has temporarily punctured the old joke about the economist's lag being the politician's nightmare. But that does not make it any less of a nightmare for everyone else. It also begs the question of what is happening to the economy now.

It is, of course, possible to put a gloss on the bad news. The jump in the year-on-year headline inflation rate from 4 per cent in March to 4.3 per cent in April was less than expected and reflected a number of price increases specific to April. These included the budget increases in excise duties and the annual rises in the poll tax, rents and water charges.

More worrying was the 12-month increase in average earnings, which was back up to 7.5 per cent in March after the February figure had been revised upwards from 7.25 per cent to 7.5 per cent. Here the mitigating factors were the urge by employers in March last year to postpone settlements as inflation came down, while this year they were paying bonuses early to pre-empt Labour's tax plans. Moreover, pay settlements, which are not fully reflected in average earnings until a year has elapsed, have been falling much faster than earnings.

Even so, the failure of average earnings to fall below 7 per cent after three years of hard deflationary grind is a sorry outcome for the government's efforts. With the jobless total at 2.7m and rising, inflation in UK manufacturing earnings is still among the highest in the OECD area, outstripped only by Italy, Greece and Portugal. This curious dichotomy between North European hair shirt and Mediterranean indulgence raises awkward questions about the thrust of policy. A rate of interest that might be appropri-

ate for the purpose of squeezing inflation out of the labour market has the unwelcome by-product of throttling over-indebted property companies and home owners. That is why the path towards economic recovery is proving so long and difficult.

The path for the bank creditors of Olympia & York Developments - a name that aptly captures the element of hubris in this Canadian-based group's global expansion - will be longer than most. Olympia & York is about to submit to a bankers' work-out. And with much of its £5.5bn debt committed to Canary Wharf in London's Docklands it will do so partly under British monetary discipline.

That is important, because whereas North America has been seeking to escape from its debt overhang by reducing nominal interest rates and pumping reserves into the system, the British authorities remain, as we have seen, more preoccupied with inflation than debt. So any work-out for sterling debt will be very different from the last one in property during the mid-1970s.

Then, inflation was running at over 20 per cent. Real interest rates were negative and the real burden of debt was eroding rapidly. In the meantime, the impact of the property crash on the banks was partly blunted by historic cost accounting and valuers' sleight of hand. This time inflation is lower and it offers less help to asset values. Positive real interest rates mean that the gap between income and debt service is widening painfully and inexorably. As a property entrepreneur slyly quipped, in thanking the outgoing chairman of Barclays this week for a speech, "we owe you more than we can ever repay".

In the absence of a dramatic shift in monetary policy, which seems unlikely with Britain in the ERM, this means that the problems of over-indebted property companies will continue to worsen. The question about the ability of the British banking system to finance an economic recovery becomes more acute by the day.

A tilt at windmills

IT IS EASY to be scornful of Mrs Margaret Thatcher's diatribe against the European Community. The intransigence of her language has confirmed the wisdom of the Conservative party in retiring her. Equating the "half-Europe imposed by Soviet tyranny" with the objectives of the EC Commission is a ponderous calumny worthy of those who recently ruled east of the Elbe. The Brussels windmills at which she tilts are grinding British liberties much less fiercely than she imagines.

The ex-prime minister does, however, perform a service in exposing contradictions in the Maastricht process. As she predicted in the past, many countries in practice are much less willing to transfer national powers to Community institutions than their Euro-rhetoric suggested. That is why the Germans are jibing at abandoning the D-Mark. But that is also why Europe is not charging down the road towards a "super-state" in the manner Mrs Thatcher supposes.

For a time, the Docklands was a magnet for investment - attracting five times as much private money as public funds. But many who entered the market have regretted it bitterly. Well over half its building never found tenants, making the Docklands a developer's graveyard. The latest casualty is South Quay, the developer of a 300,000 sq ft building just across the water from Canary Wharf, which yesterday

ended its search for a tenant. The prime incentive for the government to rescue the project and the Jubilee Line extension lies in its commitment to develop the east of London. This is reflected in the concentration of infrastructure spending in the area, the routing of the high-speed rail link from the Channel through Stratford and the grandiose, although sketchily defined, plans for development along the East London Corridor, a track of land stretching through Essex that is earmarked for urban renewal.

The three borough councils abutting the Docklands Development Corporation - Southwark, Newham and Tower Hamlets, gateway to the "East London Corridor" - are watching developments with anxiety.

For all three, Canary Wharf is a symbol of hope - or more particularly, jobs. The Jubilee Line is seen as vital to reviving the whole area.

Unemployment levels are high: about 19 per cent in the Peckham and Southwark constituencies, and higher still in Bow and Poplar (21 per cent),

which includes the South Poplar district, for which the council is currently seeking urban regeneration funding under the government's City Challenge scheme.

The fate of London's Docklands hangs in the balance. If the Jubilee Line extension is completed and the government takes a lead in mopping up the surplus space, it will have gone some way to overcoming the psychological barriers of potential tenants as well as its physical isolation. The development of the area moved faster and further than anyone thought possible during the 1980s. Decisions made in the next few weeks will determine whether that impetus has been lost for good.

MAN IN THE NEWS: Sir James McKinnon

Iron hand in a regulator's glove

Mr Robert Evans, chairman of British Gas, will be shovelling barbecues in Eastbourne this weekend at the ignominy of being forced to cut domestic gas prices. Sir James McKinnon, who as head of the Office of Gas Supply, the industry regulator, is Mr Evans' adversary in the gas price wars, can relish another victory for the consumer.

For Sir James, forcing British Gas to cut its prices marks the latest triumph in a struggle to shake the company out of the complacency stemming from its long-held position as monopoly supplier to the UK's 17.8m household customers.

Sir James's soft Glaswegian burr and his polite manner conceal a gladiatorial spirit which British Gas has repeatedly misjudged in the stormy six-year relationship following the company's privatisation in 1986.

But the latest row, which erupted two weeks ago when Sir James called for a price cut on an early-morning radio programme, has pushed relations between regulator and supplier to a nadir. Many industry observers question whether the company and Ogas will be able to hold a constructive dialogue again.

The fact that Sir James has emerged as the victor from his disputes with the company and that Mr Evans has complained many times to the government about his interference, have cast Sir James in the role of the consumer's champion. It is a role he relishes. There is little doubt of his delight in being in the public eye or of his skill in conducting his debates with British Gas through the columns of the newspapers.

But as Mr Ian Powe, director of



duction of the new pricing formula and the overhaul of the industrial gas market accepted by British Gas only under threat of a referral to the Monopolies and Mergers Commission, which could prove more positive.

The relationship was not initially envisaged as being quite so combative. When Sir Peter Walker found the then Mr McKinnon for the regulator's job, he was hoping to appease Sir Denis Cooke, chairman of British Gas at privatisation and outspoken advocate of a monopoly gas supplier. Sir James was cast as a retired accountant who would be glad of a cosy sinecure.

Sir James, a lorry driver's son, had been with the Imperial Group for nearly 20 years - eight of those as finance director. He left the company when Hanson took it over in 1988, having staunchly resisted the hostile bid. Close associates of Sir James say he believed he did not get the recognition due to him at the Imperial Group and, far from

being a spent force, he was looking for a new challenge.

The seeds of his relationship with British Gas were sown in his early days in office. On taking up the post he said: "It would be a mistake to think that we will be confronting the British Gas Corporation in any sense. Our job is to ensure that it carries out what it is supposed to do."

But very quickly he ran into the formidable personality of Sir Denis, who refused to refer to Sir James by name, calling him even to his own staff, the director-general. Sir James's initial attempts to elicit information from British Gas relevant to his regulatory role were met with blank refusals and later reluctance and obscurantism. He soon realised he would have to be tougher or fail to make a mark altogether.

Sir James's job was not made any easier by the manner in which British Gas was privatised - in retrospect, many in the industry believe the company should have been broken into competing regional companies as in the electricity industry. Sir James deserves credit for working towards competition while satisfied with what remains essentially a monopoly structure.

A staunch believer in competition and free markets, he must receive the plaudits for pushing for a better deal for consumers in spite of his publicity-conscious methods. Mr Peter Nicol, industry analyst at SG Warburg, the securities house, says: "He has probably taken British Gas to an entirely different place in 1992 than was envisaged in 1986."

But Mr Powe at the Gas Consumers Council believes that it is now time to start offering some olive branches and toning down the public acrimony between Sir James and British Gas before the disputes destroy British Gas's credibility altogether. But both sides have dug in their heels and without a change at the top of either body, the relationship is likely to remain sour.

Deborah Hargreaves



The men responsible for Canary Wharf sat on its 30th floor yesterday, deflecting criticism of the scheme that has brought the world's largest property developer to its knees.

"Wasn't the project a great disappointment?" insisted a questioner. Steve Miller, Olympia & York Developments' chief bank negotiator, came back: "You are sitting in the most important commercial development in the country. I don't see how you can even ask the question."

"That question, however, is being repeatedly asked by government ministers, tenants and, most of all, the bankers who are deliberating whether to put the project into administration. Whatever its fate, the project has played a disastrous role in draining O&Y's cash to a point where it has sought protection from its creditors under US and Canadian insolvency laws. The 4.5m sq ft office complex is only 60 per cent let.

But in one respect, Mr Miller had a point. As a construction project, Canary Wharf is an astounding achievement. In just five years it has transformed a derelict area of disused docks into the highest-quality offices in the country. The scale and panache of the Canary Wharf buildings present an astonishing contrast to its surroundings.

Too astonishing, perhaps. The opulence of the development sits oddly with the neighbouring buildings on the Isle of Dogs and the shabby housing of the East End. Its critics in the neighbouring local authorities believe that a massive office complex is an inappropriate way of revitalising the area and its community. Its critics in the property market wonder whether the image of Docklands will ever be able to overcome the down-at-heels neighbourhood.

It is too early to assess whether the scheme will succeed or fail. In the long run, Canary Wharf could become a prestigious cornerstone of a revitalised East End. But in the near future it is hard to see the project living up to its developers' vision.

Its goal of creating a third business centre to rival the City and West End was always ambitious. Certainly, Canary Wharf had little in common with the government's original intention for the area which, at the start of the 1980s, was a wasteland. The vision was a modest one. When Mrs Thatcher's first government set up an enterprise zone in the Docklands, it only expected to attract industrial companies to the area.

The stakes were quickly raised. Private developers, supposedly the best forecasters of demand, were willing to invest ever-larger sums in the Docklands. The London Docklands Development Corporation, set up in 1981 to oversee the regeneration of the area also worked tirelessly in attracting new tenants. Even before O&Y arrived on the scene, the area enjoyed a feverish period of commercial and residential expansion.

For a time, the Docklands was a magnet for investment - attracting five times as much private money as public funds. But many who entered the market have regretted it bitterly. Well over half its building never found tenants, making the Docklands a developer's graveyard. The latest casualty is South Quay, the developer of a 300,000 sq ft building just across the water from Canary Wharf, which yesterday

day went into administrative receivership.

The question now facing the Docklands is whether it can fulfil the lofty aspirations symbolised by the Canary Wharf project. Or will it take on a more modest role, poor relation to the business headquarters of Central London?

Part of the answer depends on whether it has already achieved sufficient momentum to build itself up as a centre for international companies in London. Canary Wharf already has an impressive roster of US-owned tenants, ranging from American Express to Morgan Stanley, the investment bank, which could attract others to the area.

But to a greater extent, the future of the Docklands rests with the government, which can influence events in two crucial ways. First, it is considering moving at least 2,000 and possibly up to 5,000 civil servants to the area. Second and equally important is its willingness to finance the extension of the Jubilee Underground Line, due to be completed in 1996 at a cost of £1.7bn.

The government is divided on what to do. It is unwilling to send civil servants to the Docklands unless the future of the Jubilee Line extension is assured. But it is unclear whether Canary Wharf's banks will honour O&Y's commitment to fund the extension. The company is due to pay £100m over the next year and a further £300m when the line is completed.

If the banks refuse to provide the funds, some ministers would like the government to make up the difference. The cost, they argue, is a relatively small price to pay for salvaging the world's biggest urban redevelopment project.

The Treasury sees the matter in a different light. At a time of a ballooning budget deficit, it needs to cut expenditure. It thinks that Canary Wharf's owners will, eventually, be willing to help finance the underground extension that will greatly add to the buildings' value.

An extra twist is provided by the negotiations with the Department of the Environment, which is moving from its current offices in Marsham Street and is considering several Docklands locations. Although the department was close to clinching a deal with Canary Wharf earlier this week, it has yet to be sure that it is obtaining the best possible value for money.

The government's need to find a satisfactory route out of this maze is complicated by the symbolic role that Canary Wharf has played as a flagship of the enterprise culture of the 1980s. The government cannot totally divorce itself from the fate of the project, which it promoted as a prominent example of a partnership between the public and private sectors.

The prime incentive for the government to rescue the project and the Jubilee Line extension lies in its commitment to develop the east of London. This is reflected in the concentration of infrastructure spending in the area, the routing of the high-speed rail link from the Channel through Stratford and the grandiose, although sketchily defined, plans for development along the East London Corridor, a track of land stretching through Essex that is earmarked for urban renewal.

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which includes the South Poplar district, for which the council is currently seeking urban regeneration funding under the government's City Challenge scheme.

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side of the borough was driven by Docklands," says Ms Janet Ludlow, the Tower Hamlets representative on the Docklands Development Corporation. "It's slumped since the recession, but could take ages to revive if Olympia & York go under."

There is a certain irony in the possibility that the government will come to the rescue of the project. A key reason for Canary Wharf's problems has been the slow progress made by the Department of Transport in improving the Docklands' transport links.

O&Y's executives were incensed at the inefficiency and poor management of the Docklands Light Railway, which sullied the reputation of the entire area. When O&Y appeared before the House of Commons transport committee in 1990, it said the average delays experienced by DLR passengers were between 10 and 100 times greater than those found on any comparable system in the world.

Transport has not been the only problem facing O&Y and other Docklands developers. Canary Wharf might have pulled its ambitious plans off had it not been for the deepest slump in London commercial property prices in living memory.

The recession hit at the same time as a record number of new buildings came on stream, the legacy of the property boom of the late 1980s. There is now no shortage of large, modern air-conditioned buildings in the City where one in five buildings is empty.

Together with other Docklands projects Canary Wharf inspires mixed reactions from its tenants, with some bemoaning a shortage of shops, difficult transport and a sense of isolation. However, the developments also have ardent admirers, whose enthusiasm is undimmed by O&Y's problems.

"Whatever happens to the owners, it is still an extraordinary facility," said Mr Jerry Roberts, general manager of Ogilvy and Mather Europe, the advertising agency. "There is still a tremendous shortage of this kind of quality of place with as much flexibility as one has in Canary Wharf."

But O&Y has had difficulty in persuading UK companies of the merits of the high-quality, large buildings at Canary Wharf, leaving the overwhelming majority of buildings to North American tenants. The developers found many UK companies resisted moving. "We have to identify people who have the courage and personal leadership skills to risk the disdain of their colleagues," said a senior O&Y executive last year.

Is there, the developers mused, something intrinsically conservative about the British that deterred them from pioneering a new district? Were they so prejudiced against the East End that they could not see its potential? Were they so tightly bound to familiar streets and watering holes that they were unwilling to explore new locations?

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Partnership
no help to
schools

Retailers have been scratching their heads this week, putting over the strange phenomenon that is the British consumer.

In spite of their expectations of a post-election revival in high street fortunes, few retailers have reported any substantial increases in consumer sales. Although some individual markets, such as cars, carpets and electrical goods, have shown sparks of activity, there has not been a marked pick-up in consumer demand.

On Tuesday, Sir Richard Greenbury, chairman of Marks and Spencer, was gloomy about the pace of recovery. In the year to March 31, the clothing and food business did better than most but saw UK sales fall by 0.6 per cent to £4.92bn. And M and S had still not seen the "whites of the consumers' eyes" since the year end, Sir Richard said.

That feeling has been shared by a host of others in recent weeks, as Littlewoods, Sears, Burton, Argos, Kwik Save and J Sainsbury have all reported little evidence of a general pick-up in sales.

What makes the situation particularly perplexing is that most consumers clearly have the money – as the current high levels of savings ratios show. According to the Central Statistical Office, consumers saved 10 per cent of their disposable income in the last quarter of 1991, compared with just 4.1 per cent at the beginning of 1988.

What is lacking is the inclination to spend.

The lingering recession is the primary culprit. Consumer

confidence has been shattered and will be slow to recover, according to retailers and most city economists. Many retailers suppose consumers are still unsettled by falls in house prices and the uncertainty caused by the high level of unemployment which continues to grow and now stands at over 2.7m.

But many observers of consumer trends are beginning to wonder whether deeper psychological and social factors are also at play. They suggest that the shoppers of the 1990s are a different breed from those of the previous decade and that all consumer industries will have to become far more sophisticated at enticing the public into parting with its money.

Consumer industries will have to become more sophisticated at enticing the public to part with money

Much of the evidence for such arguments is more anecdotal than empirical. Some of the strongest trends are best illustrated in the US where the consumer society is more developed than in Europe.

Mr Will Ander, a partner of McMillan Doolittle, the Chicago-based retail consultancy, recently told a conference in London that several US research studies had demonstrated that people now valued time as much as money.

His argument is supported by Mr Gary Davies, professor of retailing at Manchester Business School. "Retailers are

Retailers are discovering that the shoppers of the 1990s are a different and more discerning breed, writes John Thornhill

Hard sell on high street



asking us to part with our time

and that is going to become more and more important to us over the next decade. The working woman has got more things to do and unless you can guarantee her something worth devoting an hour to she will spend it doing something else.

He points to the beginnings of a "very long-term drift in terms of discretionary spending on shopping" towards other leisure activities, and believes it significant that for the first time since the 1920s, Marks and Spencer's share of

consumer spending has fallen in two consecutive years.

According to Mr Ander, the recession may also have served to disguise a shift in social values which will have an enormous impact on retailing. Ageing thirty-something baby-boomers with young families are likely to have a different set of values from those their yuppie predecessors espoused a decade ago.

Mr Fabrizio Valente, an Italian sociologist confirms a noticeable shift in behaviour. He says the 1980s saw an explosion of a cultural trends

emphasising the "here and now". Consumers lived for the present. They were motivated by experimentation and impulse buying. The age was associated with advertising, video-clips and highly ephemeral fashions associated with the latest designer labels. During the 1980s, for example, there were 14,000 products which all bore the Gucci name.

In the 1990s, he says consumers are more experienced, shrewd and aware of their individuality and will be more concerned about the environment in which their children live.

Much of this may sound like sociological jargon. But retailers are beginning to pick up on these trends, even if they do not articulate them in quite the same language.

One chief executive of a big British retailer, for example, tells a tale that illustrates the move towards an era of more self-conscious consumption. He says one of his company's female non-executive directors had recently been amazed to discover that she owned 41 handbags. The interesting point, he suggested, was not that she had bought so many bags but that she had counted them for the first time.

On a day-to-day level, retailers are also becoming painfully aware of the pressures that environmentally and socially responsible shoppers can exert on their businesses. The Great Consumer Guide, which advises consumers how to minimise the environmental consequences of their consumption, has sold more than 1m copies and undoubtedly influenced shopping patterns.

Retailers have found themselves in the front line of environmental campaigns to reduce packaging, preserve the rainforests by banning endangered hardwoods, or stop drift net fishing of tuna – which kills dolphins in the nets.

Mr Patrick Carson, a director of the Loblaws supermarket chain in Canada and writer on environmental affairs, describes this new breed of environmental shoppers as Higher Inner-Consciousness Consumers, or Hics.

"These people make decisions based on ethical, moral and environmental concerns

and these consumers are going to use their shopping carts to push for a better world," he says.

Instead of just responding to such emerging concerns, however, Mr Davies suggests that retailers must take a more active role in shaping the market and that there is far more that they can do to stimulate greater consumer spending.

He says the excitement has gone out of shopping and that for many people it has become a necessary drudgery crammed into a Saturday morning.

He argues that if retailers provided sufficient stimulus to attract shoppers and reward them for spending time in their stores, they would respond by spending more money.

He cites the example of Ikea, the Swedish furniture retailer, which has opened its giant stores in more than 20 countries around the world. He says the store has great customer appeal as shoppers enjoy touching and playing with the exhibits, and taking advantage of subsidised meals and children's play areas. Shoppers typically spend between 1½ and two hours in a store which is far longer than in rival furniture outlets. Their sales are correspondingly higher, he suggests.

"In the middle ages the Bartholomew's Fair market was shut down for debauchery. I wouldn't suggest retailers go so far today but at least they realised then that the only way to get people to travel long distances and sleep in ditches on the way was to offer them entertainment. We have lost sight of what retailing is all about," he says.

iy, with the prospect of a common defence and the extension of the powers of the European parliament.

• The other reforming states of central and south-eastern Europe, too, must be gradually brought closer to accession through association. The former Soviet republics must be made close partners of the Union as part of the new eastern agreements.

People who hark back to yesterday's dreams may try to escape down nationalistic paths of salvation. The only way of barring off such routes is to open the road to Europe. This demands great effort and solidarity. If we fail in that task, we will face incalculable consequences for our own stability and prosperity.

The author is German foreign minister. He retires on Monday after 18 years in office. This is the first in an occasional series on European issues

PERSONAL VIEW

A spirit of solidarity

By Hans-Dietrich Genscher

Europe, too, in the longer term will not prosper.

The west bears great responsibility for the development of political, economic, social and military stability in the new European democracies. That is not altruism. It is a necessary precept for stability in the region ranging from Vancouver to Vladivostok.

The process of growing together is under way. It is taking place within a series of complementary frameworks: the European Community, Nato, the Conference on Security and Co-operation in Europe (CSCE), the Council of Europe, the North Atlantic Co-operation Council and the Western European Union.

The European Community and the western alliance are the cores from which Europe can draw strength. These institutions must be further and decisively developed – both internally and externally.

As far as the European Community is concerned, the discussion

over "widening" or "deepening" poses the wrong alternatives. Enlarging the number of members and deepening ties in the political, economic and security fields are not mutually exclusive. Anyone who tries to propagate this belief is a false prophet. Such people do not simply place obstacles along the path of integration; they also do not understand the concept of European integration.

The founding fathers of the European Community organised it on a pan-European basis. On this point, the language of the Treaty of Rome is unambiguous. The economic phi-

losophy of expanding the Community to the north and to the south was based on the aim of bridging gaps in prosperity, in a spirit of solidarity. This applies even more to the goal of enlarging the Community eastwards. Through the political integration of western Europe, traditional sources of conflict have been put aside. They have been replaced by a growing European awareness of interdependent interests. The national conflicts and uncertainties caused by the collapse of communism in eastern and south-eastern Europe have not spread. This is a positive result of

post-war political developments in western Europe, which must not be underestimated.

In Maastricht we laid the foundations for a forward-looking Community strategy of parallel enlargement and deepening. The momentum must not be lost. The basic condition is that the treaty establishing political union must be ratified by all member states before the end of the year.

It is imperative that the European Council, meeting in Lisbon in June, should lay the groundwork for the shape of Europe in 2000, based on the twin pillars of widen-

ing and deepening.

The prerequisites are:

• By 1995 those Efta states wishing to join should be jointly admitted, in as uniform a procedure as possible. The negotiations on accession must begin in 1993.

• Even this first enlargement makes institutional adjustments necessary in the Union. This applies to a redefinition of the composition of the European parliament and of the number of commissioners. These questions must be clarified by the end of the year.

• As the next step, Hungary, Czechoslovakia and Poland should be able to accede to the Community. Europe's challenge for the coming years is to create the economic climate under which this can happen.

• The institutional basis of the Community must be further developed at the 1996 review conference which was envisaged at Maastricht. This includes the shaping of the common foreign and security pol-

icy, with the prospect of a common defence and the extension of the powers of the European parliament.

• The other reforming states of central and south-eastern Europe, too, must be gradually brought closer to accession through association. The former Soviet republics must be made close partners of the Union as part of the new eastern agreements.

People who hark back to yesterday's dreams may try to escape down nationalistic paths of salvation. The only way of barring off such routes is to open the road to Europe. This demands great effort and solidarity. If we fail in that task, we will face incalculable consequences for our own stability and prosperity.

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LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

From Mr Mark Hayes.
The Archbishop of Canterbury is right to question the principle that companies limited by shares exist to maximise shareholder value, which is the effect of company law. Prof Handy ("Priorities and purpose at the heart of capitalism", May 12) is optimistic in thinking companies can acquire a different purpose without a change in company law.

While voting power coincides with capital stake, and members retain the right to approve or reject the entire residual profit of a company, market forces will ensure that the interests of the investors of capital will predominate. Investors can be turned into Handy's "stakeholders" only if there is an open door to new investors on equal terms to existing ones (no pre-emption rights), and if the directors have the power to repay costly capital in favour of cheaper. Only then through the resulting limitation of the return on capital, is there a chance for an objective clause, which includes the interests of other "stakeholders", to become meaningful.

That this approach can work is demonstrated by our own success in attracting nearly £1.5m from private investors for investment on these terms in non-profit enterprise in Third World countries.

Mark Hayes,
managing director,
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33 Euston Road,
Newcastle Upon Tyne NE4 6JH

The Archbishop, shareholders and re-thinking the purpose and standards of business

From Mr Michael Godwin.

Sir, Charles Handy ("Priorities and purposes at the heart of capitalism", May 12) ignores shareholder behaviour in his analysis. Shareholders invest because they expect a competitive return. If "more and more companies are... putting customers and employees ahead of shareholders in the pecking order", it is to be expected that their shareholders will sooner or later realise that they are receiving less than the market rate, and will switch their holdings into companies where shareholder interests are given more weight.

The remark "...now that the investing institutions own two-thirds of the equity of British business... they must become guardians (though not owners)" seems to hanker after the cosy corporations of the Heath-Wilson era. The priority in widening the benefits of capitalism should be to encourage the break-up of these grotesquely large holdings and their distribution among small investors, such as company employees.

Michael Godwin,
research fellow in small and medium sized enterprises,
Manchester Business School,
University of Manchester

maintain and spread acceptable business standards. This is the only way to avoid the dubious gimmicks, dogmas and false dawns that industry and management seem to attract.

Adam Smith's remarkable insights more than 200 years ago can provide some, but by now means all the answers to the questions raised lately by the Archbishop of Canterbury. They cannot provide a universal licence for everything that happens in the marketplace.

John Donaldson,
chairman,
Peter Davis,
director and secretary,
Centre for Service Management
Studies,

14 Chancery Lane,
Reading RG10 1RD

From Mr Donald B Butcher.

Sir, Professor Handy's starting point for rethinking the company implies that companies are all large quoted plc and that shareholders are all institutional. That is why a number of private shareholders are establishing a UK Private Shareholder's Association to help them perform more effectively their ownership role.

Donald B Butcher,
12 Burgh Heath Road,
Epsom, Surrey KT17 4LJ

time we need some software we'll go for a partnership with parents and friends and leave "business" out of it.

F H McLean,
The Studio,
Duke's Head Yard,
Highgate,
London N6

Markets do make mistakes

From Mr Joe Cryans.

Sir, Stuffing Canary Wharf full of Michael Heseltine's civil servants is a cosmetic exercise, borne out of desperation, and at taxpayers' expense.

The partnership appears to be loaded, not, however, to the benefit of the schools. Next

cranky ideas of the New Right were given full rein in Britain and the US with disastrous social and economic consequences. For examples of this you need look no further than the riots of Los Angeles, or the sheer depth of the British recession.

The New Right has enjoyed unrestrained political power in the US and Britain for 12-13 years. There is no-one its adherents can blame this time.

Ironically, the real "culprit" is their blind faith in the "free market" which has been elevated to almost mystical status.

Simply put, markets, like people, can and do make mistakes.

This is not the first time that

the collective results of the myriad

decisions and actions by, yes, people. Thus markets are far from being infallible.

Hence the zealots of the right haven't discovered the philosopher's stone but merely a rich seam of political prejudice.

There are three lessons to be learned from the 1980s: markets don't always get it right; government does have a role to play; creating a huge underclass harms society at all levels.

Canary Wharf, the biggest

office development in the world, is merely one of the more visible mistakes of the markets in the 1980s. It should be renamed Turkey Tower.

Joe Cryans,
169 Musley Hill,
Ward
Hertfordshire

ADVERTISEMENT

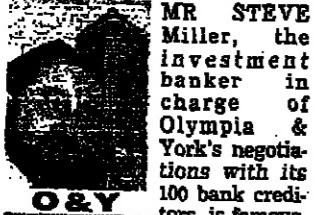
BUILDING SOCIETY INVESTMENT TERMS

Product	Gross CAR	Neg CAR	Interest paid	Maturity balance	Access and other details
Alliance and Leicester	10.35	7.76	Yearly	Titled	Access 10.90% 25.00% 0.25%
	9.65	7.24	Yearly	£10,000	Interest 10.90% 25.00% 0.25% access 10.90% 25.00% interest acc 28 days notice 100% loss 100% less 10%
	8.75	6.75	Yearly	£10,000	Interest 10.90% 25.00% 0.25% access 100% less 100% less 10%

THE OLYMPIA & YORK INSOLVENCY

■ Banks have huge exposure but strongest made highest loans ■ Filings could threaten confidence in big property markets

A giant umbrella against clouds of debt



O&Y is famously laconic. Yesterday he described O&Y's decision to seek protection from its creditors under Canadian and US insolvency legislation as "like going for a walk, noticing it is raining, putting up an umbrella and keeping walking... This [the creditor protection] is the umbrella that allows us to keep walking."

On the other hand, investors throughout the world are not viewing O&Y's move as a little light drizzle. The Canadian dollar weakened yesterday morning as did stock markets in Europe, the Far East and North America, with bank share prices particularly vulnerable.

The banks, owed \$12bn by

O&Y and now facing substantial writedowns, have had no doubts about the severity of the property group's problems since it disclosed two months ago that it had run out of cash.

Bankers view the insolvency filings as a formal public acknowledgement about the severity of this liquidity or cash crisis, rather than a sign that the crisis has become much worse. The banks were always going to suffer losses on their O&Y loans, whether or not the company sought court protection from creditors.

Although some banks have huge exposure to O&Y, the biggest loans have on the whole been made by the strongest banks. The two biggest lenders are Canadian Imperial Bank of Commerce and Royal Bank of Canada, each of which has an exposure of \$1bn. However, these two banks are so profitable that even if they wrote off most of their O&Y loans in a single accounting period, they would probably remain profitable in that period.

There is, however, a separate

danger for banks, which at the moment is unprecedented.

The bank with the next biggest exposure to O&Y, totalling around \$800m, is Hongkong and Shanghai Banking Corporation. Once again, it is one of the world's most robust banks, although its exposure has provided valuable propaganda for Lloyds Bank about the alleged weakness of Hongkong Bank's credit controls — with both institutions competing to obtain control of Midland Bank.

Citicorp, the biggest US bank, is the one financial institution whose O&Y exposure, of \$380m, is troublesome, has less capital, a key measure of strength, than many of its peers. If it can't afford losses of any sort.

This exposure is not life threatening. But it is a particular embarrassment to Citicorp's top management, led by the chairman Mr John Reed, who have staked their jobs on rebuilding the bank's capital to acceptable levels by the end of the year.

But in the event, the authorities concluded that the risk of a "systemic crisis" in the prop-

erty market was overshadowed by the political problems of being seen to help bail out one of the world's richest families.

They thought that commercial property prices had already adjusted to take account of O&Y's problems before this reconstruction plan. The key elements in the plan, which were put to O&Y's 15 biggest bank creditors last week, are that principal payments on \$12bn of debt should be deferred for five years and substantial interest payments on \$4bn of this should be made in the form of new O&Y shares.

As a result, O&Y concluded that it would not be able to raise enough cash in the coming few weeks to satisfy the competing demands for immediate repayment of several groups of creditors. Mr Gerald Greenwald, O&Y's president, noted yesterday that it was becoming increasingly difficult "to be all things to all lenders". Furthermore, the company was concerned about the large numbers of cross-guarantees and cross-default provisions on its Canadian assets.

The threat that creditors would seize O&Y assets is the "rain" referred to by Mr Miller. O&Y believed such precipitate

actions would undermine its attempts to organise an orderly reconstruction of its overall debt.

O&Y, led by its self-effacing founder, Mr Paul Reichmann, will now try to obtain the agreement of all its creditors to this reconstruction plan. The key elements in the plan, which were put to O&Y's 15 biggest bank creditors last week, are that principal payments on \$12bn of debt should be deferred for five years and substantial interest payments on \$4bn of this should be made in the form of new O&Y shares.

The filing under the Canadian Companies' Creditors Arrangements Act allows O&Y to halt payments on around C\$8.4bn of principal debt, and C\$600-700m a year in interest. The company hopes that the protection will not be required beyond October 21, although other corporate restructurings — much smaller and less complex — have usually taken considerably longer than initially

expected. Murmurs of discontent were already evident on Thursday night when O&Y argued its case in a Toronto court. Lawyers for Bank of Nova Scotia expressed concern about transfers of assets between those parts of the company which were protected from creditors, and those which were not.

There was also concern about what the filing might do to the value of shares and other O&Y assets pledged as collateral for its loans.

The group's decision to seek protection from its creditors under Canadian bankruptcy laws helped trigger a sharp fall in Japanese share prices and pushed the Canadian dollar to a two-year low against the US dollar in Asian trading.

But losses in European share markets were limited, except for property and certain bank shares, as the perception gained strength that O&Y's problems did not threaten the world's financial system.

Analysts said widespread discussion of O&Y's difficulties in recent months meant that most markets were braced for bad news.

Canadian financial markets proved again yesterday that O&Y's problems have been less disruptive than many had feared when news of the company's troubles first surfaced in late March.

● Tokyo bore the full impact of the bankruptcy filing, which came after working hours on Thursday in Toronto. The Nikkei share index closed down 730.33 points, or 3.88 per cent.

Among weaker banks and real estate issues, Dai-ichi Kangyo bank lost 170 points to 1,250, reflecting press reports that its exposure to O&Y could be as high as \$500m. Analysts said the Japanese market's adverse reaction to the news partly reflected its own worries about falling real estate prices.

● London's FTSE-100 index lost 20.8 points in its first five minutes of trading, as some bank and property stocks were hit by the O&Y crisis. But the index partly recovered in dull trading to close at 2,682.6, down 12.1. Barclays Bank, which lost 11p in early trading because of its \$200m exposure to O&Y, closed at 6p, down 380p.

● Paris also felt the backwash of the O&Y bankruptcy petition as bank shares headed lower in early trading. But the market made good its losses, with the CAC-40 index closing higher at 2,023.95.

● Wall Street succumbed to an initial wave of selling that hit bank stocks, led by Citibank, particularly hard. However, the market was underpinned by hopes that the O&Y affair could encourage the Federal Reserve to cut interest rates again.

By 1pm US time, the Dow Jones Industrial Average was down 10.76 points, or 0.32 per cent, at 3,558.12.

● Canadian bonds and treasury bills opened stronger while the stock market in Toronto soon recovered from the initial shock of O&Y. By midday, the TSE 200 index was down just 1.8 points at 3,886.6 and the Canadian dollar had recovered from its Asian losses with the help of central bank intervention.

The Bank of Canada intervened to support the dollar late on Thursday night, after the currency dived by almost three-quarters of a cent to \$1.47 US cents. By midday yesterday, the dollar was back above 83 US cents. Foreign exchange dealers in London said several central banks, including the Bank of England, intervened to prop up the Canadian dollar.

The Bank of Canada signalled to the markets that it would support its currency while a statement yesterday afternoon that the Canadian government would not be prepared to help O&Y out of its difficulties temporarily boosted confidence in the currency, one London dealer said.

Markets resist ripples of gloom

By Peter Norman and James Blitz in London and Bernard Simon in Toronto

OLYMPIA & YORK'S problems provided a day of diminishing returns for aficionados of gloom.

The group's decision to seek protection from its creditors under Canadian bankruptcy laws helped trigger a sharp fall in Japanese share prices and pushed the Canadian dollar to a two-year low against the US dollar in Asian trading.

But losses in European share markets were limited, except for property and certain bank shares, as the perception gained strength that O&Y's problems did not threaten the world's financial system. Analysts said widespread discussion of O&Y's difficulties in recent months meant that most markets were braced for bad news.

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US creditors scramble to assess likely impact

By Alan Friedman
in New York

OLYMPIA & YORK'S US business associates, bank creditors and bondholders scrambled yesterday to assess the likely impact of the company's US and Canadian bankruptcy petitions, with several saying they thought the company might eventually have to file on behalf of its main US property subsidiaries as well.

O&Y claimed its four filings for protection from creditors — under Chapter 11 of US bankruptcy law — were unlikely to affect the properties owned by O&Y's operating subsidiaries. This was because the US filings did not concern O&Y companies holding substantial portions of the 2m sq ft of office space in New York and 12.5m sq ft elsewhere in the US.

But some O&Y watchers, including a senior New York real estate executive who is advising an O&Y creditor bank, said there was a distinct possibility that O&Y would eventually have to seek a bankruptcy filing for its main US property businesses.

He said: "They may be able

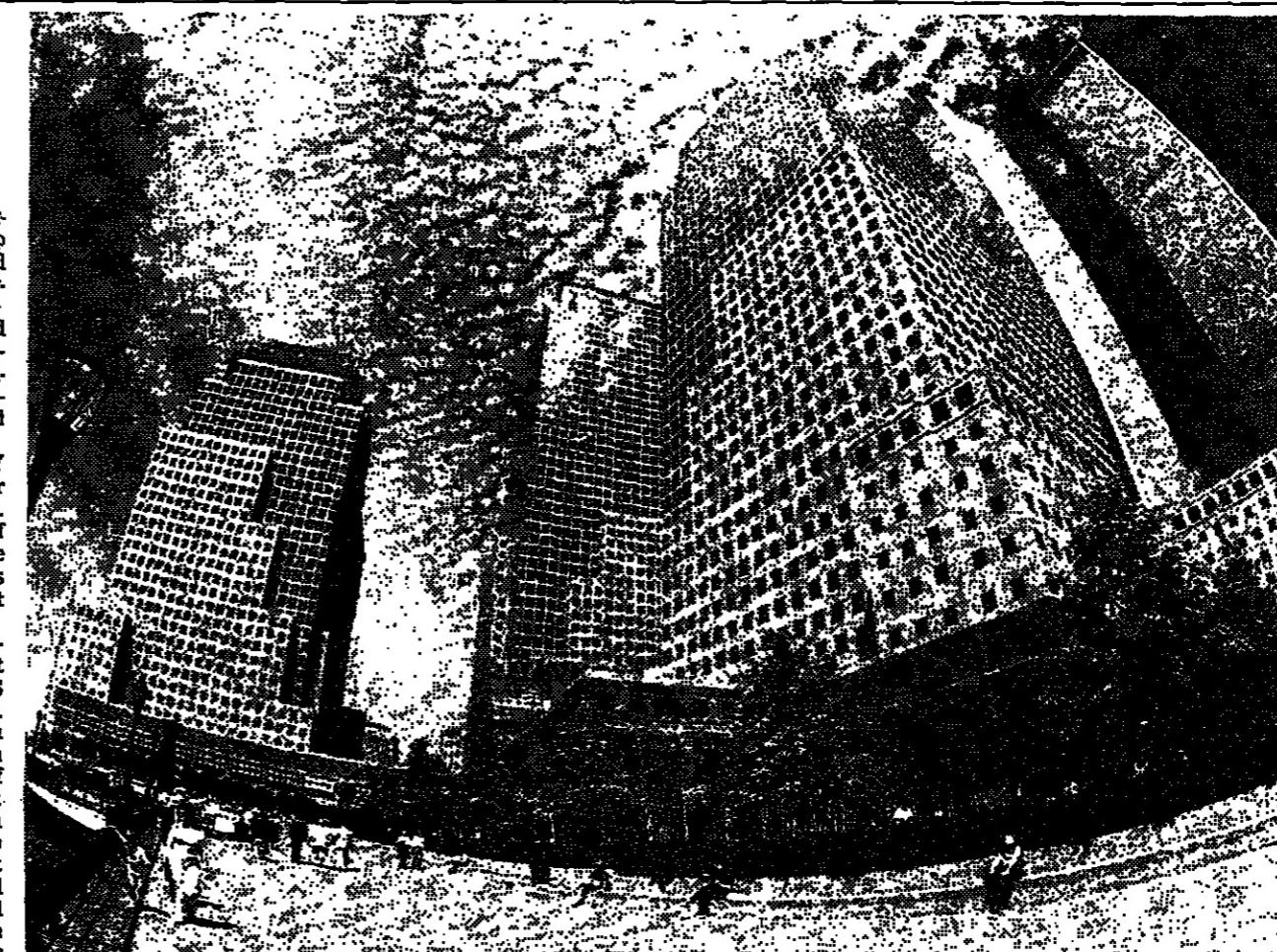
to save their US properties, but I think they'll have to file for Chapter 11 to do so. There will have to be a master financing at some point, internationally. Right now O&Y needs so much new cash — not just to service debt, but to pay for upkeep and make necessary improvements in New York and elsewhere — that the size of the eventual debtor-in-possession financing will be enormous."

He and others predicted that O&Y would have a difficult time trying to keep its Canadian, UK and US problems separate. He said working through the O&Y problems could take two years.

Nor is the O&Y crisis expected to have much further impact on the banking system. This is partly because most of the main bank creditors made substantial bad debt provisions on their O&Y debt in the first quarter of this year.

At present O&Y's US property assets remain essentially unprotected — exposed to the potential impotence of creditors. The company said last night that it would continue discussing restructurings with "the few lenders in the US whose loans are affected". It said a reasonable solution could be found in the US without resorting to Chapter 11.

But US bankers quickly started putting out the word that they were still reviewing the situation.



World Financial Centre, part of O&Y's New York portfolio, which observers say may need Chapter 11 protection

Closure in shadow of O&Y

By Andrew Taylor,
Construction Correspondent

A £70m DOCKLANDS office building, in the shadow of Canary Wharf, yesterday became the latest casualty of the collapse of the London property market.

South Quay Ltd, the developer of a 300,000 sq ft office block on the Isle of Dogs, was put into administrative receivership early yesterday.

South Quay was established in 1990 as a separate company under a restructuring of Wiggins Group, the publicly quoted property developer and housebuilder which had run into trouble as a result of its developments in Docklands.

Wiggins' bankers, which include Midland, National Westminster and Hill Samuel agreed that South Quay's finances should be ring-fenced so no liability would fall back on Wiggins. South Quay Ltd's only asset was the Docklands office block, which was to be divided into units and sold to investors seeking tax shelter benefits in the Docklands enterprise zone.

The bank's patience finally ran out yesterday with only 10 per cent of the building sold, 18 months after it went onto the market. Mr Robin Addy and Mr Michael Jordan of Cork Gully, the insolvency practice of accountants Coopers Lybrand Deloitte, were appointed administrative receivers.

Banks are still thought to be owed more than £30m, excluding previous losses on the development, which have been fully provided for by Wiggins and the banks under the restructuring.

CORRECTION

Ralph Reichmann
OWING to an agency error, a picture used in yesterday's Financial Times was wrongly identified as Mr Ralph Reichmann of O&Y.

EXISTING and prospective tenants at Canary Wharf were bemused but relatively unmoved yesterday by news of Olympia & York filing for protection from creditors.

An executive of one organisation which moved to the development late last year said: "There was a certain amount of black humour between the staff this morning because we were not thrilled to come here in the first place. But I don't think it's much direct concern."

Mr Robin Warrender, chairman of London Wall Holdings, the insurance company, said: "Obviously any situation like this causes grave concern." London Wall has signed a contract to move to One Canada Square, but has not yet moved in. Mr Warrender added: "I still believe Canary Wharf will go on. It's the bankers who loaned money who are in trouble."

Mr Jim Butler, senior partner of KPMG Peat Marwick, the accountancy firm which is shortly to move its training

centre and public sector consultancy to One Canada Square, said he was not surprised by O&Y's action.

"As a firm of accountants we always thought there was a strong likelihood this would happen," he said. "I strongly believe Canary Wharf will go on. It's the bankers who loaned money who are in trouble."

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A construction company project manager summed up O&Y's problems as "a classic Catch-22 situation. They need to attract people down here so that they can earn money, but because they've been in the press they can't attract people down here."

Marks and Spencer said it was still planned to open a 12,000 sq ft food store in the area which it saw as "a business opportunity to be captured".

Services on the existing railway have been severely disrupted by teething troubles with the newly-installed control system. "We are not going to use our passengers as guinea pigs," the DLR said.

The new management has decided that it will not open the Beckton extension to the

end of this year, but that date could now slip to summer next year.

The postponement follows the transfer of responsibility for the railway from London Transport to the London Docklands Development Corporation last month.

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INTERNATIONAL COMPANIES AND FINANCE

Most of Japan's leading brokers end year in red

By Robert Thomson in Tokyo

LEADING Japanese securities houses yesterday revealed worse than expected results, with 12 of the largest 14 houses reporting after-tax losses for the year ended March 1992, and all cautious in their predictions

announced pre-tax losses with Kankaku Securities hit hardest with a loss of Y49.5bn. The results have raised doubts about the ability of some second-tier brokers to survive without a lowering of ambitions and a restructuring of their operations.

RESULTS OF THE BIG FOUR BROKERS (year ended March 1992 in Yen)

	Operating income	Pre-tax profit/loss	After-tax profit/loss
Nomura	421.7 (688.3)	44.1 (233.5)	31.6 (105.5)
Daiwa	321.1 (477.4)	9.3 (119.3)	-43.5 (59.5)
Nikko	267.9 (376.6)	3.1 (72.9)	-25.9 (39.7)
Yamaichi	221.4 (360.2)	-36.5 (67.5)	-53.2 (35.6)

for the current year. Of the Big Four houses, only Nomura Securities reported an after-tax profit, while two others, Daiwa Securities and Nikko Securities, reported sharply lower pre-tax profits and after-tax losses. Yamaichi Securities made a pre-tax loss of Y36.5bn (\$2m), a turnaround from profits of Y67.5bn in 1990-91.

The houses, most of which are cutting their dividends, blamed the poor results on falling stock prices, low stock-market turnover, and the costs and consequences of the financial scandals of the past year.

The 10 second-tier companies fared even worse. Nine

Damage is even greater at the second-tier brokers, with Yamatane Securities formally announcing a financial action plan in the wake of a Y26.5bn after-tax loss. The company, along with Cosmo Securities, was forced to pay compensation to settle disputes with clients over *tobashi* — the shuffling of stocks from account to account to avoid the booking of losses.

Yamatane is seeking interest rate cuts from its leading banks, while other second-tier companies are closing unprofitable domestic and foreign offices, and cutting their staff intake.

Sanyo Securities, which reported a pre-tax loss of Y29.5bn, said yesterday that offices in Madrid, Milan and Toronto will be closed next month.

The collapse of the market was reflected in large losses seen on the brokers' own securities dealings, with Yamaichi announcing a Y36.5bn loss in stock dealings. Daiwa had a Y19.4bn loss, and Kankaku an Y11.8bn loss.

Of the Big Four brokers, only Nomura will keep its dividend unchanged at Y15 a share, while Daiwa will cut its payout from Y14 to Y9. Nikko from Y13.5 to Y8.5, and Yamaichi from Y12.5 to Y7.5.

Nomura said that its revenue from stock brokerage commissions was down 44 per cent and the value of its share underwriting fell 28 per cent, while bond underwriting fell 15 per cent. Interest and dividend income was down 44 per cent, and there was a 67 per cent fall in trading gains.

The difficult conditions forced Nomura to draw heavily on its cash holdings, which fell from Y82.4bn to Y429.5bn.

The same pattern was evident among other leading brokers, as Nikko's cash holdings were more than halved to Y352bn, and those of Daiwa were down 33 per cent to Y856bn.

Paris plans \$1.7bn sale of Total shares

By William Dawkins in Paris

THE FRENCH government plans to sell FF1.5bn (\$1.7bn) worth of shares in Total, reducing its direct stake in the state controlled oil group to 5 per cent.

This is by far the largest in the recent programme of partial privatisations, following the FF2.2bn sale of a 2.3 per cent stake in Elf Aquitaine, Total's larger state-controlled rival, two months ago.

It also marks the renunciation of the French state's 70-year-old policy of treating the country's oil companies as a strategic arm of France's energy policy.

The government will sell through the Paris bourse 19 per cent of Total's shares, reducing the stake held by the state and the public sector from 34 per cent to 15 per cent. It will also surrender double voting rights held since 1920s to reduce its votes to 5 per cent.

By contrast, the state owns 51.5 per cent of Elf.

France is selling parts of public industry mostly to help finance the growing budget

deficit, set to rise from FF1.35bn this year to FF1.50bn next. It has also sold shares recently in Crédit Local de France, a public authority bank.

The Total sell-off took the market by complete surprise. The shares closed yesterday, before the announcement, at FF2.26, capitalising Total at FF5.50bn or ten times this year's estimated earnings.

The government has chosen a good moment in Total's fortunes to announce its privatisation. Last month the group announced a 41.5 per cent rise in 1981 profits to FF5.5bn after tax. However, uncertainty hangs over the future of its chairman, Mr Serge Tchuruk, whose three-year mandate expires next February.

In theory, it is up to the government to decide his replacement, though it was not clear yesterday whether the state will keep this right after the sale.

As part of the sell-off, the government is also offering to exchange non-voting shares or *certificats pétroliers*, ordinary shares at a rate of four for three.

Flatt, chaired by Mr Giovanni (Giovanni) Agnelli, said the lower earnings stemmed from slower economic growth and cut-throat competition at a time of heavy investment.

Profits at the cars unit fell to L386bn from L751bn on turnover of L27.50bn against L27.675bn. Unit sales slipped by 3 per cent to 2.06m.

Results in industrial vehicles, divided between Iveco (trucks) and NH Geotech (farm and construction equipment), spotlighted the crisis in both sectors.

Flatt's losses have been exacerbated by acquisitions in both areas. Swollen by the purchase of Enasa in Spain, Iveco swung to a loss of L2.2bn from profits of L45.5bn. A L15.5bn loss at Ford New Holland hit Geotech, which reported a divisional loss of L45.2bn, up from L23.8bn. Losses at the Magneti Marelli car components unit rose to L144bn from L35bn.

Turnover: 616.8 (7019) lots of 10 tonnes

ICCO indicator price (US dollars per tonne). Daily price for May 15: 714.43 (719.65) 10 day average for May 15: 723.12 (730.24)

COPPER - London FOX Shorne

Close Previous High/Low

May 714 690 207 695

Jun 734 716 226 717

Sep 757 757 222 758

Oct 767 777 228 780

Jan 787 788 230 789

Feb 793 805 793

TURNOVER: 47 (120) lots of 50 tonnes

PRICE: FF1.20 per tonne. Aug Oct

SOYABEANS - London FOX Shorne

Close Previous High/Low

May 125 126 125 126

Jun 125 126 126 126

Turnover: 0 (100) lots of 20 tonnes.

PRICE: US\$120 per tonne. Sep Oct

CRUDE OIL - ICEI Shorne

Close Previous High/Low

Jul 10.58 10.45 10.60 10.44

Aug 10.45 10.37 10.51 10.35

Sep 10.40 10.35 10.40 10.29

Oct 10.25 10.20 10.28 10.23

Nov 10.20 10.15 10.20 10.19

Dec 10.20 10.15 10.20 10.10

Feb 10.90 10.80 10.90

PRICE: US\$120 per barrel. Jul Aug

POLYTHENE - London FOX Shorne

Close Previous High/Low

May 1200 1200 1200 1200

Jun 1235 1235 1235 1235

Turnover: 169 (20) lots of 20 tonnes.

PRICE: US\$120 per tonne. Sep Oct

FREIGHT - London FOX Shorne

Close Previous High/Low

May 1200 1200 1200 1200

Jun 1235 1235 1235 1235

Turnover: 363 (224) lots of 20 tonnes.

PRICE: US\$120 per tonne. Jul Aug

GAS OIL - ICEI Shorne

Close Previous High/Low

May 1200 1200 1200 1200

Jun 1235 1235 1235 1235

Turnover: 10117 (918) lots of 10 tonnes.

PRICE: US\$120 per tonne. Jul Aug

SPOT MARKETS

Close Previous High/Low

Aug 121.00 121.00 121.00 121.00

Oct 121.00 121.00 121.00 121.00

Dec 121.00 121.00 121.00 121.00

Feb 121.00 121.00 121.00 121.00

PRICE: US\$120 per tonne. Jul Aug

LONDON MARKETS

Close Previous High/Low

Aug 121.00 121.00 121.00 121.00

Oct 121.00 121.00 121.00 121.00

Dec 121.00 121.00 121.00 121.00

Feb 121.00 121.00 121.00 121.00

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Aug 121.00 121.00 121.00 121.00

Oct 121.00 121.00 121.00 121.00

Dec 121.00 121.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Strong US indicator ignored

GOOD figures for US industrial production failed to boost the dollar on foreign currency markets yesterday as investors continued to take the view that low interest rates make the US unit too expensive to hold.

The markets disregarded encouraging news that industrial production had risen by 0.5 per cent, up from a revised 0.4 per cent gain in March, and pushed the dollar down from DM1.6125 to DM1.6090 in early European trading yesterday. The US unit eventually closed up on the day at DM1.6145. In late US trading, the dollar was at DM1.620.

However, it lost ground to the yen, closing at Y130.20 from a previous close of Y130.30.

Analysts believe that the latest economic indicators make it unlikely that the Federal Reserve will cut interest rates at its Federal Open Markets Committee on Tuesday. But one analyst said that the mar-

ket was so dollar bearish at the moment that it was not prepared to consider realities.

"They will look for any excuse to go on selling them," he said.

Traders worldwide were transfixed yesterday by the problems facing the Canadian dollar after Olympia and York, the Canadian property developer, filed for protection from its creditors under Canadian and US insolvency laws.

A number of central banks,

including the Bank of England,

were reported to have inter-

vened in the market to support

the Canadian currency after it

had fallen to a 2-year low

against the US unit. In Friday's

late Asian trading, the US dol-

lar rose to C\$1.2125 from an

opening of \$1.2018.

This was followed by reports of intervention by the Bank of Canada, Reserve Bank of Australia and Britain's central bank. By the

end of European trading, the

Canadian unit had recovered to

C\$1.2040.

Analysts still believe that

the downside risk for the Canadian currency is far stronger, not least because of the Ottawa government's declared policy of keeping interest rates low. One London economist believes that the US dollar could easily test C\$1.22 in the coming week. In futures markets, there was higher Canadian/U.S. dollar volatility with the currencies being quoted at 5.3/5.6 per cent for one-month options and 5.2/5.5 for three-months, up from about five per cent on Thursday.

Sterling suffered no setback as it was revealed that the UK's annual rate of headline inflation had jumped to 4.3 per cent in April. Britain's Treasury insisted that the rise was due to "special factors" rather than underlying inflationary pressures. The pound closed at DM2.9075, although it had risen as high as DM2.9411 shortly before the figures were released in the late morning.

FINANCIAL FUTURES AND OPTIONS

LITTLE LONDON COTTON FUTURES OPTIONS

US\$100,000 lots of 100%

Strike	Call-settlements	Put-settlements	Strike	Call-settlements	Put-settlements
95	7.54	5.25	95	6.22	4.00
96	7.54	5.25	96	6.22	4.00
97	7.54	5.25	97	6.22	4.00
98	7.54	5.25	98	6.22	4.00
99	7.54	5.25	99	6.22	4.00
100	7.54	5.25	100	6.22	4.00
101	7.54	5.25	101	6.22	4.00
102	7.54	5.25	102	6.22	4.00
103	7.54	5.25	103	6.22	4.00
104	7.54	5.25	104	6.22	4.00
105	7.54	5.25	105	6.22	4.00
106	7.54	5.25	106	6.22	4.00
107	7.54	5.25	107	6.22	4.00
108	7.54	5.25	108	6.22	4.00
109	7.54	5.25	109	6.22	4.00
110	7.54	5.25	110	6.22	4.00
111	7.54	5.25	111	6.22	4.00
112	7.54	5.25	112	6.22	4.00
113	7.54	5.25	113	6.22	4.00
114	7.54	5.25	114	6.22	4.00
115	7.54	5.25	115	6.22	4.00
116	7.54	5.25	116	6.22	4.00
117	7.54	5.25	117	6.22	4.00
118	7.54	5.25	118	6.22	4.00
119	7.54	5.25	119	6.22	4.00
120	7.54	5.25	120	6.22	4.00
121	7.54	5.25	121	6.22	4.00
122	7.54	5.25	122	6.22	4.00
123	7.54	5.25	123	6.22	4.00
124	7.54	5.25	124	6.22	4.00
125	7.54	5.25	125	6.22	4.00
126	7.54	5.25	126	6.22	4.00
127	7.54	5.25	127	6.22	4.00
128	7.54	5.25	128	6.22	4.00
129	7.54	5.25	129	6.22	4.00
130	7.54	5.25	130	6.22	4.00
131	7.54	5.25	131	6.22	4.00
132	7.54	5.25	132	6.22	4.00
133	7.54	5.25	133	6.22	4.00
134	7.54	5.25	134	6.22	4.00
135	7.54	5.25	135	6.22	4.00
136	7.54	5.25	136	6.22	4.00
137	7.54	5.25	137	6.22	4.00
138	7.54	5.25	138	6.22	4.00
139	7.54	5.25	139	6.22	4.00
140	7.54	5.25	140	6.22	4.00
141	7.54	5.25	141	6.22	4.00
142	7.54	5.25	142	6.22	4.00
143	7.54	5.25	143	6.22	4.00
144	7.54	5.25	144	6.22	4.00
145	7.54	5.25	145	6.22	4.00
146	7.54	5.25	146	6.22	4.00
147	7.54	5.25	147	6.22	4.00
148	7.54	5.25	148	6.22	4.00
149	7.54	5.25	149	6.22	4.00
150	7.54	5.25	150	6.22	4.00
151	7.54	5.25	151	6.22	4.00
152	7.54	5.25	152	6.22	4.00
153	7.54	5.25	153	6.22	4.00
154	7.54	5.25	154	6.22	4.00
155	7.54	5.25	155	6.22	4.00
156	7.54	5.25	156	6.22	4.00
157	7.54	5.25	157	6.22	4.00
158	7.54	5.25	158	6.22	4.00
159	7.54	5.25	159	6.22	4.00
160	7.54	5.25	160	6.22	4.00
161	7.54	5.25	161	6.22	4.00
162	7.54	5.25	162	6.22	4.00
163	7.54	5.25	163	6.22	4.00
164	7.54	5.25	164	6.22	4.00
165	7.54	5.25	165	6.22	4.00
166	7.54	5.25	166	6.22	4.00
167	7.54	5.25	167	6.22	4.00
168	7.54	5.25	168	6.22	4.00
169	7.54	5.25	169	6.22	4.00
170	7.54	5.25	170	6.22	4.00
171	7.54	5.25	171	6.22	4.00
172	7.54	5.25	172	6.22	4.00
173	7.54	5.25	173	6.22	4.00
174	7.54	5.25	174	6.22	4.00
175	7.54	5.25	175	6.22	4.00
176	7.54	5.25	176	6.22	4.00
177	7.54	5.25	177	6.22	4.00
178	7.54	5.25	178	6.22	4.00
179	7.54	5.25	179	6.22	4.00
180	7.54	5.25	180	6.22	4.00
181	7.54	5.25	181	6.22	4.00
182	7.54	5.25	182	6.22	4.00
183	7.54	5.25	183	6.22	4.00
184	7.54	5.25	184	6.22	4.00
185	7.54	5.25	185	6.22	4.00
186	7.54	5.25	186	6.22	4.00
187	7.54	5.25	187	6.22	4.00
188	7.54	5.25	188	6.22	4.00
189	7.54	5.25	189	6.22	4.00
190	7.54	5.25	190	6.22	4.00
191	7.54	5.25	191	6.22	4.00
192	7.54	5.25	192	6.22	4.00
193	7.54	5.25	193	6.22	4.00
194	7.54	5.25	194	6.22	4.00
195	7.54	5.25	195	6.22	4.00
196	7.54	5.25	196	6.22	4.00
197	7.54	5.25	197	6.22	4.00
198	7.54	5.25	198	6.	

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Unit Trust	Ref. Price	Mid	Wid. or Yield	Ref. Price	Offer	+ or -	Yield	Ref. Price	Offer	+ or -	Yield	Ref. Price	Offer	+ or -	Yield	Ref. Price	Offer	+ or -	Yield	Ref. Price	Offer	+ or -	Yield	
Stewart Jersey Unit Trs Mtrs Ltd (12300H)	100.00	100.00	-	2 Fox Street, London EC2V 8EJ	071-383 1215			044 414111				013 Duxton St, Edgbaston D13 5EF	031-550 5000			NEL Rehmann Accs Co Ltd - Contd.								
American S. 1	127.3	222.2	29.3	100.00	125.00	-0.5	-0.5%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Specialist Funds	114.0	120.0	10.0					
American S. 2	127.3	222.2	29.3	100.00	125.00	-0.5	-0.5%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
American S. 3	127.3	222.2	29.3	100.00	125.00	-0.5	-0.5%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Executive	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
America United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	95.36	95.36	0.00	100.00	100.00	-		100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000			Banking County Income	120.0	125.0	5.0					
Acme United	126.9	220.0	30.9	101.00	121.00	-0.4	-0.4%	100.00	100.00	-		113 Duxton St, Edgbaston D13 5EF	031-550 5000											

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Pearl Assurance (Unit Fund) Ltd	PEZ/AF	0733 479770																						
Lewis Wood, Peterstone				Provident Mutual Life Assc. Assn. - Contd.				Scottish Amicable				Sun Alliance Group				Western Assurance Society				J. D. Ward Financial Services Ltd				
Property Ass. (Grou)	125.3	-0.1		Life Assc. Assn. - Contd.				Scot. Mort's Court Norton	0403 223232			Cond.	021-209 3003			Refiduschell Asset Management - Contd.				Refiduschell U.S. S.				
Property Ass. (Int'l)	125.3	-0.1		Life Assc. Assn. - Contd.				Managed	506.2	525	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Country Fund	125.3	-0.1		Property Int'l	250.4	242.4	-0.1	Proprietary Ass.	277.4	271.9	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Properties Ass. (Int'l)	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	Assurance	277.4	271.9	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Managed Int'l	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	Equity Income	277.4	271.9	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Int'l & Fint Interests	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	240.2	247.6	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Money Fund	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	Fixed Income	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Money Fund (Cap)	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Managed Fund	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Cashflow Managed	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Ret Man Fund 11	166.2	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Ret Cns	166.2	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 12	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 13	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 14	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 15	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 16	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 17	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 18	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 19	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 20	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 21	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 22	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 23	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 24	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 25	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 26	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 27	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 28	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 29	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 30	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 31	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refiduschell U.S. S.	15.75	-0.1		
Prov Mkt Fund 32	125.3	-0.1		Deutsche Int'l.	125.3	125.3	-0.1	For Carr.	242.5	249.7	-0.1	Contd.				Refiduschell U.S. S.	15.75	-0.1		Refidusch				

ET MANAGED FUNDS SERVICE

- Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2121.

OTHER OFFSHORE FUNDS

WORLD STOCK MARKETS

AMERICA

Factors combine to send Dow lower

Wall Street

The combination of bankruptcy filings by the property developer, Olympia & York, and expiration of stock index futures and options pushed US share prices lower yesterday morning, writes Patrick Harwood in New York.

By 1pm the Dow Jones Industrial Average was down 10.98 at 3,375.70, but off lows more than 20 below that. The more broadly-based Standard & Poor's 500 was also lower at mid-session, down 1.61 at 411.53, while the Nasdaq composite fell 2.50 to 574.18. NYSE turnover was 97m shares by 1pm, and for the second consecutive day declines outnumbered rises by a ratio of almost two to one.

EUROPE

Continent sees weakness in property, banks

CONTINENTAL reaction to the O & Y crisis was more specific than general, with weakness in property and financial shares, writes Our Markets Staff.

PARIS fell 1.1 per cent at the start, following losses in Tokyo and overnight on Wall Street, but ended higher thanks to a rebound in stocks which had fallen on Thursday. The CAC-40 fell as low as 1,985.22 in the morning before ending 0.95 higher at 2,023.35, down 1.9 per cent on the week. Turnover was moderate at FFr2.5bn.

News that O & Y was seeking court protection from its creditors put pressure on Crédit Lyonnais, which has the biggest exposure of the French banks. The stock dropped FFr23 to FFr602.

Elf, which had dropped on its poor first results on Thursday, stalled yesterday, losing 90 centimes to FFr378.3, while LVMH, which had lost 5.5 per cent on news of sell note from a US broker on Thursday, rebounded to FFr4,095.

Total dropped FFr6 to FFr260. After the close, the government said it was offering four Total oil certificates for three shares, reducing its stake in the oil refiner to 15 per

cent from 34 per cent.

FRANKFURT was helped along by overnight weakness in the US and Japan, but a worsening trend over the course of the morning was reflected in a 3.85 fall to 700.17 for the FAZ index at mid-session, extending to one of 18.19 at 1,724.07 for the FAZ at the close. Similarly, falls on the week were 0.9 and 1.4 per cent respectively.

Cars and engineers were hit by worries over the possible metalworkers' strike and the banking sector by concern over loans to O & Y.

Lufthansa extended Thursday's DM32.20 fall on a passed 1991 dividend - and the prospect of similar treatment for shareholders in 1992 - with a drop of DM9.50 to DM33.33.

Olivetti added L2 to L2,900 on renewed speculation in an Italian daily that it was in alliance talks with Digital of the

long end, in the process lowering the yield on the 30-year bond to just over 7.8 per cent.

The troubles at O & Y unsettled bank stocks. O & Y's prime lending banks were hardest hit, troubled by worries that they will have to make further bad debt provisions or loan write-offs in the wake of the bankruptcy. Citicorp fell 3% to \$19.19, Chemicals by 3% to \$37.4, and JP Morgan by 3% to \$55.5.

Among others, BankAmerica eased 3% to \$48.3. Bankers Trust lost 3.1% at \$58 and Chase Manhattan gave up 3% at \$22.5.

ADRs in Unilever fell 2% to \$102.95 in busy trading after the Anglo-Dutch conglomerate reported first quarter net income below analysts' estimates.

Briggs & Stratton fell 5% to

\$47.74 after Oppenheimer & Co, the broking house, removed the engineering company's stock from its list of recommended issues.

On the Nasdaq, Centocor, heavily battered by the recent correction in biotech stocks, rose 1.1% to \$12. Thursday's news that the company plans to reduce its workforce by 15 per cent. The job cuts were revealed alongside a first quarter loss of \$1.20.

Qual-Med plunged 5% to \$14 in turnover of more than 4m shares after the company posted first quarter profits of 26 cents a share, down from 34 cents a share a year ago.

Canada

TORONTO staged an early recovery from the initial shock

of the O & Y filing, and by mid-day stocks drifted on an even keel. Traders said bank shares had lost nearly C\$6.5bn in market value since mid-March, far in excess of estimated exposure of C\$4bn to C\$8bn.

The Troubles at O & Y resulted in heavy losses in bank shares before quickly bouncing back to stand 1.8 off at 3,386. Declines led advances by 1.20 to 187 in turnover of 11.9m shares valued at C\$147.8m.

The real estate sector dropped 1.6 per cent with moderate losses across the board. Among real estate issues, Tri-ze class A fell C\$4 to C\$6. Bramalea slipped 1 cent to C\$1.99, Markborough Properties lost 30 cents to C\$4.50 and Royal LePage eased C\$4 to C\$7.4.

Dreams of China keep Hong Kong in favour

Simon Davies reviews the market's prospects

Even its reputation for volatility, the S1 per cent rise over the last 12 months in the Hong Kong stock market should set off investors' alarm bells.

Three years ago, Hong Kong equities traded at a discount because of the political uncertainty in China, but positive comments on economic reform from Beijing in recent months have virtually removed this risk factor, and the market is enjoying an upward re-rating.

In 1991, Hong Kong was the best performing major stock market in the world, with the Hang Seng index climbing 42 per cent. This year, the index has risen 38 per cent to close at 5,740.50 yesterday. The stockbroking community is unanimous in its desire for a brief consolidation, but the weight of foreign money has kept the stock market firm.

There are many reasons for the recent record-breaking rally. Corporate earnings for the Hang Seng index constituents are expected to grow by 20 per cent this year and next. The upswing in the economy is continuing, with 6 per cent GDP growth expected in 1992, against 4 per cent in 1991.

The decision to go ahead with the HK\$12bn (\$14.5bn) airport programme lifted overseas confidence last year, and the resolution of trade disputes between the US and China in January received wholehearted institutional support.

Despite its recent bull run, Hong Kong does not appear expensive. According to Baring Securities, the Hang Seng index is trading on a 1992 price/earnings (p/e) multiple of 11.8 and a 1993 p/e of 10.1. This makes Hong Kong cheaper than other investment destinations in south east Asia, such as Singapore, Malaysia, Thailand, Taiwan and Indonesia.

The p/e situation has been recognised by regional fund managers. The US fund managers, in particular, have been hypnotised by tales of China's economic potential.

There has also been a substantial increase in retail investment. In 1989, the Hong

Kong Stock Exchange dispelled the myth that everyone from road sweepers to taxi drivers played the stock market, when it found that only 10 per cent of the adult population invested in equities. But in 1992 they have come back with a vengeance.

The negative differential between the cost of borrowing and inflation in Hong Kong provides a strong incentive for local investors to remain in equities. The next interest rate movement will probably be down, as the Hong Kong dollar's peg to the US dollar demands a tracking of US interest rates.

However, two factors could burst the bubble in Hong Kong: a drastic change of direction in China, and a weakening of the Hong Kong property market. The latter has been a concern as a result of government measures to quell property speculation, which has resulted in a sharp decline in turnover, but not in prices.

Negative interest rates are a compelling reason why the property market should sustain the 10 per cent gain recorded in the first quarter, since property has always been the traditional hedge against inflation in Hong Kong.

But at the same time, interest rate cuts put upward pressure on inflation. Analysts say that the territory's economic performance can be maintained in spite of double-digit inflation, so long as China remains a major attraction.

"We feel the Hang Seng index justifies a p/e of 12... and this would mean the index should be trading at 7,500 by the end of 1993," says Mr Clive Weeden, research director of ChinTung Securities. This sort of optimism gives little incentive to sell.

China is a greater concern. Since the Tiananmen Square massacre in May, 1989, Sino-American relations have come into the foreground during this month, as the annual renewal of Most Favoured Nation (MFN) status is debated.

Renewal for 1992/1993 is almost certain. However, the debate on renewal for next year could become a major issue in the US presidential election in November. This would hurt Hong Kong, where the failure to renew MFN would knock close to 2 per cent off its GDP.

The engine for growth in Hong Kong has been in the neighbouring Guangdong province. Its economy is now overheating, with inflation on the rise; the last time this happened, in 1988/1989, a severe austerity programme ensued.

China's paramount and aged leader, Deng Xiaoping, is in the middle of a power struggle between reformists and conservatives. Deng has considerable support for his economic reforms, but some observers say a setback is possible. It has been some time, for example, since the stock market has fallen on rumours of his death.

HSBC's bid for Midland Bank could cause some uncertainty in the stock market, especially as the offer deadline on June 9 draws near. Since the Hong Kong market has always tended to over-react, some caution is advisable. Investors are sitting on substantial profits and it is only natural that they will want to cash in part of their winnings.

But overall, analysts do not foresee a significant downside in the market, as current attitudes suggest that any setback will be seen as a long-term buying opportunity.

"We feel the Hang Seng index justifies a p/e of 12... and this would mean the index should be trading at 7,500 by the end of 1993," says Mr Clive Weeden, research director of ChinTung Securities. This sort of optimism gives little incentive to sell.

LONDON SHARE SERVICE

BRITISH FUNDS

Note: Price £ E + or - High Low Int. Red.

"Shares" (Listed up to Five Years)

1/3/92

12/3/91

1/3/90

12/3/89

1/3/89

12/3/88

1/3/88

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Weekend May 16/May 17 1992

Survival in a Sarajevo cellar

Laura Silber on how Bosnians are coping with life in a city under siege

FOR over a month now Mrs Milica Petrovic, a Serb, and her husband have lived in a cellar in Sarajevo. Above ground, their house in the suburb of Ilidza is being steadily destroyed as the war tears the city apart.

Grenades have been hurled into their yard, killing the sheep and chickens.

On Thursday, when the city centre and several office blocks and factories were destroyed in some of the most brutal bombardments of the civil war in Yugoslavia, the Petrovics were caught unprepared.

They ate only a handful of raisins. For days there has been no electricity. The food stored in the freezer has rotted. Milica says: "The only time I am hungry is in the morning, when I wake and there is silence - no shooting - then I realise that I haven't eaten in days".

All semblance of normality has broken down in Sarajevo as Serb irregulars, backed by the federal army, besiege the capital of Bosnia-Herzegovina.

Food is scarce. There has been no milk or meat for weeks. Serb gunmen have manned road-blocks, stopping all transport of foodstuffs and medicines. The biggest problem is looking after babies and small children. There is no baby food.

About half of the city is without electricity, water and telephone lines. The shelling over the past seven weeks has destroyed transport and communications systems. Blocks of flats,



Under fire: A UN peacekeeper runs for cover in Sarajevo

factories, mosques, churches and schools are now charred skeletons.

Sarajevo was once famous for its lively mix of nationalities. Moslems lived side-by-side with Orthodox Serbs and Catholic Croats, surrounded by snow-flecked mountains. The city is now pounded with shells and mortars from the surrounding slopes and its people live in fear.

There are several city districts

where people are literally imprisoned in ghettos. Attempts to leave one's house is tantamount to suicide. When the shelling stops, the snipers take over. A trip out to buy bread means risking death.

Mothers give their infants water mixed with sugar and bread soaked in water. Women are giving birth in cellars. Shelters everyone shares.

"Bosnians have an expression

'nikako', meaning 'awful', that's how we are living now. If you can call it that," says Ms Envera Selimovic, a Moslem and a journalist who has grown up in the city.

"Sarajevo still manages in some way to be what it was before - people try to help, either with food or by taking care of each other's children. My Muslim neighbour gave cooking gas to a Serbian friend who had no electricity," says Mrs Marijan Jovovic-Bilandzic, 31, a Montenegrin who is married to a Croat.

Amid these stories of everyday life in Bosnia, allegations of atrocities committed by Serbs when seizing mainly Moslem neighbouring towns have emerged. Diplomats fear the death toll is much higher than the official figure of 1,200.

An eyewitness from Bratunac, 64 per cent Moslem, tells how Serb irregulars rounded up and shot dead several hundred Moslem men in the local sports arena.

Some refugees from Bratunac, on Bosnia's eastern border with Serbia, say the men are still alive and are being held captive.

But Mrs Jovovic-Bilandzic warns: "There is a darker side to this insanity. An irreversible hatred erupts in a person who has lost a close relative. If a Moslem he will hate and try to kill anyone who is a Serb."

Ms Selimovic says: "The policy of Serbian Democratic Party is to sow hatred and create chaos. If it continues like this, they will succeed in their goal."

Inflation rise blamed on tax measures

By Emma Tucker,
Economics Staff

BRITAIN'S rate of inflation rose last month, ending a downward trend which began in January.

Between March and April the retail prices index (RPI) rose by 1.5 per cent, pushing the annual rate of inflation in the 12 months to April to 4.3 per cent, up from 4 per cent in the year to March.

Although it was disappointing for the government, economists shrugged off the increase, attributing it to the distorting tax effects of the March Budget.

Sterling closed unchanged in London at DM2.9375.

A measure often taken as the underlying rate of retail price inflation, the RPI without mortgage costs - showed a year-on-year rise in April of 3.7 per cent, unchanged on March.

The Treasury said the rise was due to "special factors", adding that the underlying inflation rate would fall in the coming months.

According to the Central Statistical Office, part of the increase was the result of last year's cut in poll tax bills dropping out of the index. The RPI was further boosted by excise duties which rose by more than the rate of inflation in the Budget, it said.

Most economists expect inflation to continue its downward trend in the coming months, but some expressed concern at the still high core rate.

Mr Gerald Lyons, chief economist at DKB International, the Japanese bank, said: "The message is coming through that there is still some underlying stubbornness in inflation and there is no hope for a rate cut in the immediate future."

Mr John Smith, the shadow chancellor, said: "Today's inflation figures show no improvement. But yesterday's worrying increase in unemployment shows the heavy price being paid. The government is suppressing inflation rather than curing it."

S African talks deadlock raises fears of new violence

By Michael Holman and Patti Waldmeir in Johannesburg

SOUTH AFRICA'S constitutional talks reached deadlock yesterday, dashing hopes for the early installation of a multi-racial interim government and raising fears of renewed political violence.

A day of acrimonious discussions at the Convention for a Democratic South Africa (Codesa) left the government and the African National Congress divided over fundamental constitutional issues, but reluctant to end talks which are due to begin again today.

Mr Nelson Mandela, ANC president, said he would meet President F.W. de Klerk to try to break the impasse. Mr Mandela indicated that pressure would be increased on the government through mass popular protest.

South Africa's bitter foes, Page 3

Banks face \$3bn losses

Continued from Page 1

encies' Creditors Arrangements Act, initially gives O&Y protection from its creditors in Canada until October 21.

Thereafter, any agreement on restructuring its debt will have to be approved by three-quarters of each class of lender.

In granting the order, Mr Justice Robert Blair said the potential implications of O&Y collapsing were "startling, far-reaching and worldwide. If such a calamity can be avoided, every effort should be made to do so."

The company said yesterday that during the period of protection, it will halt payments on C\$8.4bn (US\$6.96bn) out of O&Y's total C\$14bn of debt, including C\$800m-C\$700m a year in interest. But it said all other payments to employees, suppliers and tenants would be maintained.

Mr Gerald Greenwald, O&Y's president, described the debt standstill as a "surgical" move.

and said it would "provide the stability for operating companies to concentrate on the long-term restructuring plan".

He said negotiations with lenders are "making good progress". O&Y has answered banks' concerns about inadequate financial data on the company by appointing a partner of Price Waterhouse in Toronto as an "information officer".

He will monitor the company's cash flow and report regularly to the banks on O&Y's financial condition.

CORRECTION

Royal Bank of Scotland

THE list of biggest lenders to O&Y published in Section 2 of yesterday's Financial Times should have included Royal Bank of Canada, which has lent \$1bn to the company. The name was incorrectly given as Royal Bank of Scotland which yesterday said it had no exposure to O&Y. We apologise for the error.

Thatcher

Continued from Page 1

Group is made up of eight EC members committed to a free trade zone.

Mrs Thatcher was careful to praise Mr Major, saying that he had ensured at Maastricht "that we would not have either a single currency or the absurd provisions of the Social Chapter forced upon us".

Downing Street was concerned not to provoke a public row. Despite acknowledgment by senior ministers that the tenor of Mrs Thatcher's remarks was seriously at odds with Mr Major's approach, officials said the prime minister agreed with some of the detail of her remarks.

The focus of Mrs Thatcher's criticism was the European Commission and its monopoly on the power to introduce legislation.

"The work of the Commission should cease to be legislative in any sense. It should be an administrative body, like any professional civil service."

CHIEF PRICE CHANGES YESTERDAY									
FRANKFURT (Dm)									
Pfizer	714	+	9						
AGfa & Vekta	714	+	9						
Fuchs Automobil	595	+	15						
Falls									
DVR (P)	581	-	82						
Bayer Vogels	470	-	65						
Deutsche	344	-	8						
Hofmann Ph	1115	-	36						
New York (\$)									
Pfizer		-	12	+	112				
Unilever		-	12	+	112				
Dress & Grot	471	-	15						
Ciba-Geigy	287	-	16						
Citicorp Bank	371	-	28						
Coopers	19 1/2	-	5						
Osland	14	-	5						
New York prices at 1230pm									
Paris (FFPs)									
Pfizer									
Al Litani	510	+	20						
U.S. Foods	998	+	24						
Wells									
Aspel Entrepr	651	-	40						
Cetam	770	-	20						
Cod Lyon (C)	602	-	33						
Sagitt	2072	-	127						
Tokyo (Yen)									
Pfizer									
Daisho Bank	1252	-	170						
Dunbar	510	-	59						
Kosko	560	-	75						
Icarus	2030	-	230						
Nissan Fire	1380	-	230						
Shikoku Chem	551	-	77						
London (Pence)									
Pfizer									
Al Litani	510	+	20						
U.S. Foods	998	+	24						
Wells									
Aspel Entrepr	651	-	40						
Cetam	770	-	20						
Cod Lyon (C)	602	-	33						
Sagitt	2072	-	127						
Tokyo (Yen)									
Pfizer									
Daisho Bank	1252	-	170						
Dunbar	510	-	59						
TSL	58	+	5						
Vtene	22 1/2	+	2 1/2						
Pfizer									
Clinton Cards	112	-	10						
Eidos	28	-	8						
French (T)	65	-	7						
Hartstone A	255	-	13						
MSPC	332</								

FINANCE & THE FAMILY

Prospects look good for the private investor

Fund managers give their views to Philip Coggan and Scheherazade Daneshkhur

THE LONDON stock market has enjoyed a month of euphoria after the re-election of the Conservatives. Even after the share price falls of yesterday and Thursday, the FTSE 100 Index is still trading over 10 per cent above its level on April 8.

The prospect of five years of Conservative government, and of a rebound from the recession, has encouraged traders to buy shares in anticipation of a corporate profits recovery.

The FT 500 Index was trading on a historic price-earnings ratio of 16.5 at the close of Thursday's trading, compared with an average of 11.6 since Mrs Thatcher was first elected in May 1979.

The yield on the All-Share Index is now around 4.5 per cent, below the 1979-82 average of 4.9 per cent and well below the 5.7 per cent recorded at the start of 1991.

So have private investors missed the boat? If they buy shares now, will they be making the mistake that so many have done in the past — that is, plumping into shares at the top of the market? Or do shares still represent good value on a medium or long term view?

We asked a number of experienced fund managers to give their views on the likely future direction of UK share prices.

Michael Hart, joint manager of the Foreign & Colonial Investment Trust, is hopeful about the view to the end of the year. "We might get interest rates coming down a bit and see some evidence of profits recovery", he says.

However, Hart adds that there is the prospect of a setback in the short term, with rights issues and the occasional bad result, restraining the market. At the start of 1992, he was talking about 2,800 on the Footsie, but now thinks 2,900 may be possible by the end of the year.

Leonard Klahr of Capel-Cure Asset Management says that "on a valuation basis, the market certainly doesn't look cheap, apart from the yield ratio (the relationship of gilt to equity yields)".

"There are some good signs, however," he adds. "The outlook for

inflation is still good, and Wall Street has been performing well." Like Hart, Klahr feels that the market may be ahead of itself in the short term but he does not see any setback being significant.

Julian St Lawrence, who manages the Capital unit trust for Framlington says that "Footsie is clearly breaking out into a new range, but in the short term will need to consolidate at this sort of level". There is scope, according to St Lawrence, for the small company shares to catch up with the large company shares.

St Lawrence also feels that this recovery may be different from previous cycles. "In past recoveries," he says, "producers of commodity type products saw the benefit of increased margins."

"This time companies may need to see sales grow in order to increase profits." The task therefore is to look for companies in growth markets or those that can take market share from competitors.

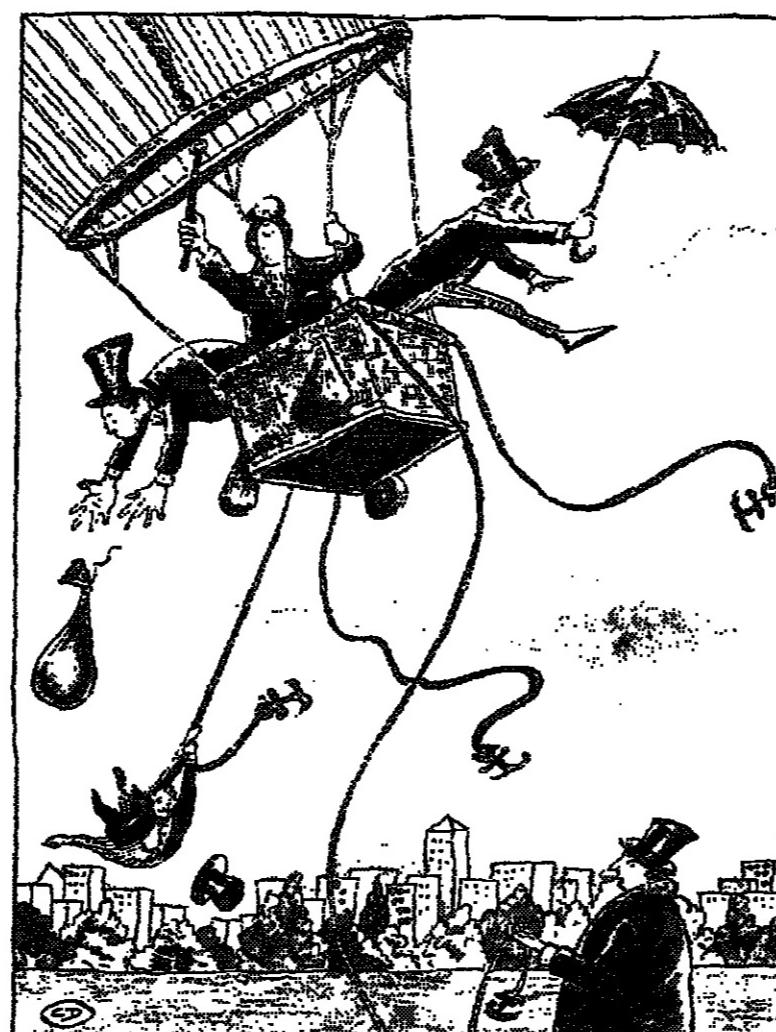
Like Hart and Klahr, St Lawrence sees scope for a short-term downturn in share prices. "If everyone's optimistic then it's not long before people start having their doubts," he says.

Kenneth Inglis, investment director at Allied Dunbar, is optimistic about the long term outlook for the market but does not foresee a swift rise. "The market is barely 10 per cent higher than it reached in 1987, so we haven't got that far in five years," he says. So the market is "hardly ludicrously expensive compared with other markets or even with itself".

However, he thinks those wanting to make big commitments should stagger their investment as a precautionary measure. "The recovery is likely to be patchy so there may be unpleasant surprises".

But for the most part, Inglis feels that the market should increase steadily in a tempered way with no great upside. It is unlikely to take off until small companies come back into the market — for that to happen, the banks have to restore their health and Inglis sees this taking at least another two years.

The downphase in the US for small companies lasted six to seven years but



it is now starting up again. We peaked in the late '80s, so that suggests it won't be until the middle of the decade that small companies come back into the market," he says.

Investors can forget about quick gains. "They should think of holding their stock in terms of five years rather than three. In fact, the longer the better," concludes Inglis.

Paul Laband, deputy managing director at Abbey Life Investment Services, disagrees. "Normally we would advise investors to keep their investment for at least five years, but my tactical view is that there is money to be made in the next two years in the UK market."

This, he says, is because he anticipates UK gilt yields falling closer to those of Germany (currently around 7.8 to 8 per cent) in over a year's time. If this happens the Footsie could rise to 3,100.

"As we move to lower inflation, risk premiums on equities diminish which has the effect of pulling equities up relative to gilts," he says. "Once you are in a low inflation environment the situation changes. Provided there is some growth, you would still anticipate

equities giving a higher return than gilts but the differential should narrow."

Richard Hughes, manager of the Recovery fund at M&G Securities, thinks that the rise in the market since the general election will not appear dramatic in the fullness of time. "In the past year, the market has been up by 10 per cent while the yield on gilts has come down by 10 per cent." Like Laband and Inglis, he thinks it is a good time for investors to go in.

"Before the election obviously would have been better but equity investment is a long-term strategy. The UK market at the moment is well underpinned by the yield on the All-Share and with inflation falling, it will continue to look attractive. Fundamentally, it's a cheap market," he says.

However, any pauses in the economic recovery could mean setbacks for the market but investors who go in with a view to holding on for the long term will be rewarded. Even in the short-term, "the return on shares should be comfortably ahead of the building societies over the next 12 months."

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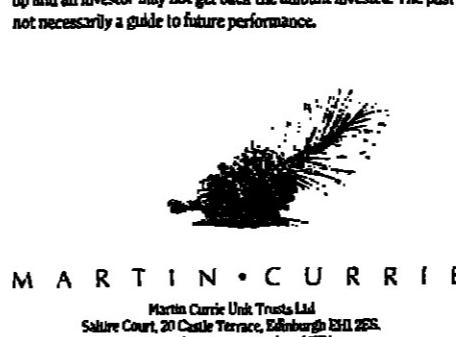
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FINANCE AND THE FAMILY

Base rate cut unsettles fixed income planning

LAST week's base rate cut was not good news for everyone. Those keen on the certainty of investing for a fixed income — mostly pensioners — found some promising avenues closed off immediately as National Savings withdrew all its products without notice. And interest rates for savers were reduced quickly by building societies.

Further base rate cuts are now expected when, only a month ago, a jump of two points was canvassed widely in the event of a Conservative election defeat. Some pundits forecast that rates could even undercut those of Germany — a psychologically important barrier to breach.

The election result reinforced the beliefs of a growing number of analysts who expect a low-inflation, low-interest rate environment for the rest of the decade. Double-figure base rates are still not all that low in historical terms, they argue, so more cuts could be in store. This could be the time to lock in returns.

But income investors must swallow some unpleasant facts. First, you will normally have to sacrifice some capital growth. The more growth you are prepared to lose, then, in general, the higher income you can afford; and, indeed, a very high income often will be earned at the expense of a capital loss.

Second, you must decide if the income is needed monthly or annually. You should get better value if you only need payments once a year.

The most obvious product is a gilt (or UK government bond) which can be bought for only a small fee at a post office. The present high level of government debt ensures there will be plenty of gilts around for the foreseeable future.

Gilt investors can make capital gains; but when investing for income,

it is simplest to buy a bond and then hold on to it.

If you buy a particularly short-term bond, you might find you are just deferring a problem, according to David Kauders, a fee-based adviser who specialises in financial planning using gilts.

Yields — the technical term for the proportion of the price you pay which you will receive in income — are lower than they were immediately before the election, but Kauders says that 9 per cent is achievable.

However, appropriately long stocks — which are not redeemed until at least the year 2000 — are thin on the ground and it can be difficult to juggle them so that you receive a regular monthly income.

It is also important to remember, when buying stock priced above 100, that your capital value will be eroded if you hold it until maturity.

Annuities are the most effective income providers, but only because they repay your capital as well as income. They are, therefore, most useful if you are sure you will not need the capital again, and best avoided if you want to keep future options open.

They are offered by life companies, and those not bought with the proceeds of a pension plan come in two basic varieties. Immediate annuities continue to pay out a fixed income until you die, whereas that happens, while temporary annuities pay out over a fixed period.

In either case, however, the company will pocket your capital once you die, so this is not a good investment if you are keen to leave a substantial inheritance behind you or if you have reason to fear that you will not live long.

The rate you receive depends on two main factors: your life expectancy and the state of the gilt market. You will be paid more if your life expec-

tancy is shorter, or if gilt yields are high. This means you get better value the longer you wait — unless you think gilt yields will fall.

As a rule, they are worthwhile for men aged 70 or over and women aged 75. According to Baronworth Investment Services, the best rates now available for temporary annuities lasting for nine years, and taken out by a male aged 70 paying £10,000, are £2,023 annually from Pearl Assurance and £1,983.27 annually from Canada Life.

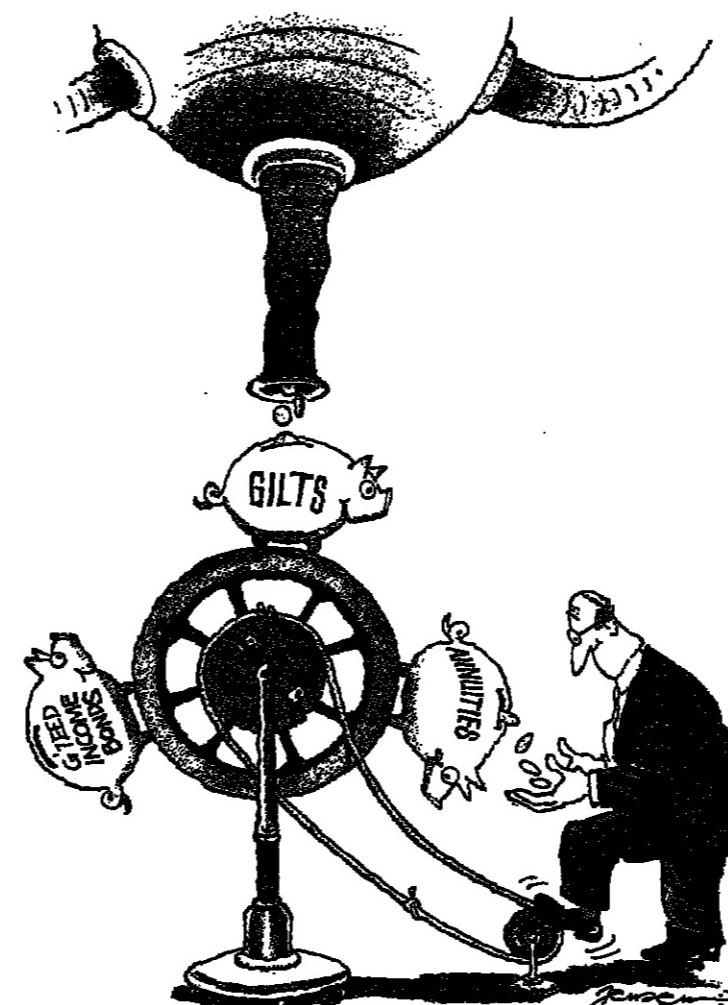
For an immediate annuity, on the same assumptions, the best rates are £1,463.40 from Sun Life of Canada and £1,460.82 from Equitable Life.

■ Guaranteed income bonds, as their name suggests, provide a guaranteed rate of income over a fixed term. They tend to be offered by smaller life offices. Both monthly and annual income payments are available, although rates for the latter will be higher.

As with all these investments, they are underpinned by gilts — which meant that virtually all the GIBs on the market were withdrawn abruptly on the day after the election. The rates now on offer are less generous.

GIBs have the significant disadvantage for non-taxpayers that basic-rate tax is deducted at source and cannot be reclaimed. Baronworth's best buys for monthly income (assuming you have £10,000 to invest) are 7.91 per cent from American Life over one year, 7.83 from American Life over two years, 7.6 from Premium Life over three years, 7.61 from General Portfolio over four years, and 7.6 from Hill Samuel over five years.

For annual income, Baronworth's best buys are 8.4% from Prosperity over one year, 8.3 from CCL Assurance over two years, 8.5 from Liberty Life over three years, 8.5 from Consolidated Life over four years, and 8.52 from Prosperity over five.



■ National Savings provides taxable monthly income bonds which pay 9.25 per cent. The maximum holding has not been increased to £50,000. These bonds are most appropriate for non-taxpayers, while they are just about competitive for basic-rate taxpayers.

■ Loans and building societies often offer fixed-income products, but many have been dropped unceremoniously in the light of base rate speculation, so choice is not wide and few offers are exciting.

According to Money Facts, the best

onshore rates for accounts providing fixed monthly income are provided by Exeter Bank and Halifax Building Society.

Over one year, Exeter offers a fixed 9.5 per cent on a minimum of £5,000.

On an investment of £10,000, Halifax offers 9.49 per cent over one year, 9.02 over two years, and 8.83 over three, four and five years.

Midland Bank Trust and TSB Channel Islands offer the best offshore rates.

John Authors

Pensions hit by back-door raids

THE REMOVAL of pension fund assets, as it was done by Robert Maxwell, is, fortunately, rare. But deprivations caused when companies use pension schemes to subsidise redundancy programmes have become commonplace.

According to actuary Bryan Davies, of the specialised consultancy Union Pension Services: "It does weaken the funding for the people who remain with the company scheme and treats them less than fairly, yet trustees tend to go along with it."

A few companies have special redundancy terms written into the pension scheme rules, giving those made redundant better treatment than employees leaving early of their own accord. Someone made redundant after the age of 50 might be allowed to retire at that time with a full pension instead of an actuarially-reduced amount. But companies without special redundancy rules assemble their own packages with an eye on cash flow as well as tax efficiency.

Because of the £20,000 calling on the amount that can be paid as tax-free redundancy compensation, a favourite tactic is to offer departing employees the option of taking a lower

pension would be subject to annual increases only up to a 5 per cent annual limit — likely to be well below the wage increase they could have expected had they stayed in employment.

However, a more significant influence on such deals could be a protocol agreed at the Maastricht EC summit last December. It proposed an amendment to the Treaty of Rome aimed at wiping out the possible retrospective effect of the landmark Barber judgment — a European court decision that men and women in occupational pension schemes should be treated equally — handed down on May 17 1990.

Redundant terms were considered an essential part of equal treatment. Barber's original case was brought after he was made redundant and received lower total benefits than a woman of the same age would have been given.

Thanks to uncertainties about the exact interpretation of the judgment, unequal treatment has continued and hundreds of claims have backed up in the legal system.

If the Barber judgment is not taken as applying retrospectively, only pension rights earned after May 17 1990 would have to provide equal benefits. But matters may not be resolved quickly even if the Maastricht protocol is ratified as the agreement could be challenged in the European Court.

Barbara Ellis

Frye, of the white-collar Manufacturing Science and Finance union, says companies will continue dipping into pension fund surpluses with ease until the law is clarified. "Under present law, scheme members have no right to the surplus, so there is no point saying people made redundant should not have anything extra if you can't deliver it to the others, anyway."

Frye says employers could also take advantage of the fact that employees generally are unaware of the heavy pension loss that could be involved in a seemingly generous redundancy package. Their deferred

BLATANT discrimination in the field of National Insurance Contributions (NICs) will continue following an unexpected opinion from the European Court of Justice this week.

Women can claim the basic state pension, now £54.15 a week, after paying the full rate of NICs for 39 years. But men need to pay for 44 years, and a shorter contribution record means a lower pension. The difference of five years reflects the difference in the state pension age, which is 60 for women and 65 for men.

The NI fund pays for several social security benefits including the basic state pension and those for sickness and unem-

ployment. National Insurance is levied at 9 per cent on an employee's "band earnings" — those between £2,888 and £21,060 per annum for the 1992/93 tax year.

People who earn above the lower limit also pay 2 per cent on the first £2,808. An employee whose earnings exceed the upper limit would pay £1,700 in NICs for 1992/93.

The inequality in the NI system is compounded by the fact that women who continue to work after age 60 do not pay the tax, even if they have already contributed for a full 44 years.

The Equal Opportunities Commission challenged this

system at the European Court — the supreme court of the European Community. Now, the court has given an "opinion" that unequal state pension ages — and, hence, unequal qualifying NIC periods — were still legal under EC law.

This opinion is expected to be confirmed within three months by a final ruling. The court's decisions are binding on member states and override national legislation.

Last June, the government announced plans to equalise state pensions and it is expected to make a statement next month when the consultation period ends. The UK is one of four EC countries which still retains unequal pension ages; the others are Belgium, Greece and Portugal.

EC law on state pension ages is unlikely to change until the draft second Social Security Directive (1987) is implemented, although progress towards equalising occupational pensions could accelerate at this process.

Debbie Harrison

Directors' Transactions

IN PREVIOUS weeks, we have highlighted director activity at Clinton Cards. Yet again, directors have been buying, this time at £60. Don Lewin, the chairman and Clinton Lewis, the managing director, bought £54,000 and 5,000 shares respectively. Barry Hartog, the finance director, and George Pompomir both bought 3,000 shares. The share price has continued to rise and now stands at around £25.

Angus MacDonald, Directus Ltd, Key to sectors: BdMa = Building Materials; Brew = Brewers & Distillers; BuSe = Business Services; Elms = Electronics; EngA = Engineering Aerospace; EngG = Engineering General; FdMa = Food Manufacturing; FdRe = Food Retailing; Hlth = Health & Household; InsB = Insurance Brokers; InTr = Investment Trusts; Med = Media; Merc = Merchant Banks; Othl = Other Industrial Materials; Pack = Packaging; Prop = Property; Stor = Stores; Tran = Transport.

Directors at Wilshaw, the building materials company, have been buying. Francis Askham, the chairman, purchased £30,000 and Hugh Reynolds, the chief executive, acquired £1m, both at 11.5p. On the same date, the director of a subsidiary company also bought £1m. The shares were sold by one of the major shareholders, based in South Africa.

At Close Brothers, the merchant bank, finance director Peter Winkworth sold 35,000 shares at £24.5p. This follows

buying by Roderick Kent, the managing director, and Peter Stone at the end of March.

Buying of Thames TV shares by directors has been steady since the beginning of the year. Most recently, David Elstein bought 31,200 shares at 18p. He is the fourth director to buy stock this year following Lord Brabourne, the chairman, Richard Dunn, the chief executive, and Sir Paul Fox.

Angus MacDonald, Directus Ltd, Key to sectors: BdMa = Building Materials; Brew = Brewers & Distillers; BuSe = Business Services; Elms = Electronics; EngA = Engineering Aerospace; EngG = Engineering General; FdMa = Food Manufacturing; FdRe = Food Retailing; Hlth = Health & Household; InsB = Insurance Brokers; InTr = Investment Trusts; Med = Media; Merc = Merchant Banks; Othl = Other Industrial Materials; Pack = Packaging; Prop = Property; Stor = Stores; Tran = Transport.

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News in Brief

Broker caps home loans until 1995

BRKER John Charcol is offering a "cap and droplock" mortgage at a rate of 10.25 per cent (11.6 per cent APR) capped until August 1995, one of the longest capped rates available at present. Each July, borrowers will be given an option to switch to a competitive fixed rate.

Loans must be not more than 85 per cent of the property's value, and repayment mortgages are not available.

If borrowers do not want to take out building and contents insurance linked to the policy, there is a higher capped rate of 10.5 per cent.

There is also an arrangement fee of 1 per cent for those who sell within a year, and 0.5 per cent after that. The annual management fee is 2.25 per cent.

■ Midland Bank is reducing interest rates on its accounts. The net rate on the Orchard current account is being cut to 1.88 per cent from 2.27. On the Meridian current account, the net rate on balances under £1,999 goes down to 2.62 per cent from 3.04.

On the Meridian savings account, the net rate is now 5.02 per cent (down from 5.58 per cent) on balances between £2,000 and £4,999. On Orchard savings accounts, the rate on the same balance is now 4.58 per cent (down from 5.21).

The Tessa rate has been cut to 9.5 per cent from 10.00.

Lloyds Bank is also cutting rates. The net rate on its Classic account is now 0.75 per cent on balances between £1 and £1,000, and 1.5 per cent on balances between £1,000 and £2,000.

On its gold account, balances between £1,000 and £2,500 will pay a net rate of 2.63 per cent; the rate on balances between £2,500 and £5,000 is a net 4.35 per cent. The Lloyds Tessa rate is now 9.5 per cent.

■ Those searching for fee-based advice in the north-east of England have a new service on offer. Fimbra member James A. Clancy of Ovington, Northumberland (0661 835 130). Clancy is linked with Adams & Neville Asset Management, an IMRC member, for investment management purposes.

■ National Counties Building Society, which has long offered one of the best rates on its Tessa, has cut the rate to 12 per cent. This, though, is still 2 percentage points above base rate.

Meanwhile, the Woolwich Building Society has cut its savings rates. The net rate for its Prime Gold account on balances between £500 and £9,999 is now 8 per cent (5.79 on monthly accounts).

The society's Tessa rate is 9.75 per cent on balances between £2,250 and £22,999; 10.75 on £3,000 to £4,750; and 10.85 on amounts above £4,800.

■ The Argentinian Sicav, an open-ended fund similar to a unit trust specialising in Latin American equities. The launch follows on from the success of the Latin American Investment Trust, the best-performing such trust of 1981, and of country-specific Sicavs managed by LAS.

The Argentinian Sicav has risen 237 per cent since its launch in February 1981, and the Mexican Sicav is up 241 per cent since it was established in November 1989.

The argument in favour of Latin America is that the region has widespread economic and political reform and appears committed to free-market capitalism.

Economic growth rates are higher than in the developed world, which should lead to

higher returns.

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GARDENING

Arthur Hellyer and Patricia Morison find out what Chelsea flower show offers – and Robin Lane Fox considers what it will lack

A vintage year is on the cards

THIS weekend the Chelsea flower show enters the last days of preparation in readiness for the judges, visits by Royalty and the special charity preview on Monday, May 18. The show is an astonishing success story; exhibitors are just as eager to get a place in the show as the public is to see it.

Tuesday and Wednesday, from 9am until 5pm, and Thursday from 9am until 3.30pm, are reserved this year for members of the Royal Horticultural Society. Only Thursday, from 3.30pm to 5pm, and Friday, from 9am until 5pm, are available for non-members.

All tickets for the charity preview were sold a long time ago, and other bookings are so advanced that the only sensible advice for anyone who still hopes to see the show, but has no ticket, is to ring the credit-card booking number (tel: 081-900-1919) and find out what is available.

The show's catalogue reads like a Who's Who of all the famous names in commercial horticulture. Indications are that 1992 is to be a vintage year:

Whether interest centres on the open-air gardens or in the floral displays packed in the great three-and-a-half-acre marquee – said to be the biggest tent of its

kind in the world – or in the close-packed exhibits of glass houses, garden furniture, ornaments, machinery and sundries which line avenues and fill odd places, this is a show which needs all the time that can be given to it – and will still leave much undiscovered.

Among outdoor gardens is the large rockscape made by David Stevens for B&Q's do-it-yourself chain, which is constructed using a beautiful grey-blue quartzite rock in a natural way. Quartzite is an environmentally friendly rock, the quarrying of which does not harm any ecological situation. Stephens has used it cleverly in a landscape complete with crofter's cottage, stream, cascades, pool and a variety of flowering and foliage plants.

Different in style and purpose are two small gardens made by Faith and Geoffrey Whitten, entitled Moving Home, and Moving Garden. As the names imply, these suggest a sequence of gardens for a young couple moving up in the world. Free use is made of container plants, to make the transfer from one garden to another easy and inexpensive.

Elizabeth Banks Associates has gone in for sheer fantasy in what it has made what they call a hillside chalet garden: a wildflower meadow and a chalet veranda spilling over with colourful pelargoniums. It is a simple study in contrasts.

Pershore College of Horticulture is also a regular source of original design. This year its students are making a garden which represents a disused industrial site. Plants grow in cracks in the walls and various man-made features worn away by water are included, but the focal point is a derelict pump house and slate column split by gushing water. This is a essay in ingenuity but not, perhaps, one meant to be copied.

Nor, probably, is the Uzbek Source Garden, made in the face of great logistical difficulties by Ravil Abdullin from Tashkent, Uzbekistan, to represent the extremes of soil and climate in that part of central Asia. It includes features from the immense desert regions to those of the more fertile environments of meadows and thickets, and it also finds space for the flora of the mountain ranges.

The main marquee will be packed with exhibits from the large and spectacular to the small but fascinating. Hillier Nurseries says it is

Gillian Temple Associates has made a roof garden for Fisons, the fertilisers-to-pharmaceuticals group. A large number of features have been included, such as raised timber beds, glazed pots, sculpture, a water feature, a kitchen garden, a cut-flower area and a conservatory. Full marks for ingenuity but probably none for neatness.

More practical is the urban oasis designed by David Pearson for Yarley, suitable for the back garden of a terraced house with provision for outdoor living. It has raised beds, turf walls, arches, and space has been found for salad vegetables, flowers and herbs. Rosemary Verey describes her design as suitable for a London garden, but it would equally suit any small garden surrounded by other buildings.

The staff and inmates of Leyhill Open Prison are back – this year with a garden planned around a mulberry tree. It has an historical theme: pre-Victorian to the left; Victorian to the top right; modern in front. Judging by Leyhill's past efforts this should be an interesting exhibit.

The students of Merrist Wood College can always be expected to do something original, and this year they have made what they call a hillside chalet garden: a wildflower meadow and a chalet veranda spilling over with colourful pelargoniums. It is a simple study in contrasts.

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Among the commercial stands at Chelsea this year, Haddonstone, of East Haddon, Northampton, has recreated William Chambers' original design for a ruin at Kew Gardens – fluted columns et al

including in its exhibit of trees, shrubs, roses and herbaceous perennials the largest tree ever shown in the Chelsea marquee: an English oak, 8m high, and an essential part of the traditional English garden.

Trees are also an important feature in the Nortcunts Nurseries Exhibits – "40 trees for 40 years" it says, to represent the years of the Queen's reign. But no doubt, if all

Stephen Bailey is also showing an extensive selection of pinks and carnations containing a number of new varieties. There will also be some of the latest hybrid asteroemias creating so much interest.

Numerous rose exhibits are included, some shown in the traditional way, as cut flowers, some as naturally growing plants which, although a less spectacular type of

the other 20th Century Roses. The new book, *Roses*, is lavishly illustrated and the exhibit highlights some of its features.

Bulbous plants are numerous and varied, from the many small species – the speciality of companies such as Broadleigh Gardens and Avon bulbs – to the great spectacles of Walter Blom and Son and Van Tuuren, which this year is including a new red, pink and greenish white hippeastrum, rather unattractively named Spotty.

Someone always seems to hold back a good display of daffodils for Chelsea; this year it has been done by J Walkers Bulbs. It says it will replace much of the exhibit halfway through the week, so it will be as impressive on the Friday as for the Monday judging.

Stapeley Water Gardens is making a water-lily pool with a Monet-style bridge to celebrate its acquisition of Latour-Marliac, the water-lily specialist in the South of France, where many of the best new varieties have been raised.

Cannington College holds the National Collections of argyranthemums and osteospermums. It is making an exceptionally fine exhibit of these South African daisies, and has itself raised some of the varieties.

Burncoose and Southdown Nurseries, from Cornwall, is bringing many rare and some slightly tender trees and shrubs to the Chelsea show, as well as a big collection of hybrid lilies, mainly of the popular groups known as Mid Century and Oriental.

Some spectacular exhibits have come from overseas. These include one from the Kirstenbosch Botanical Gardens in South Africa, which not only shows beautiful proteas, but also several succulents being shown for the first time.

Machines, tools, garden sundries and buildings of many kinds, as well as an enormous array of ornaments and garden furniture are being shown at Chelsea once again, in bewildering number and variety.

Some of the statues are above average in quality, but for sheer enterprise pride of place must go to Oak Leaf Conservatories. This company, engaged to restore the dome of a magnificent Victorian conservatory at Broughton Hall, proceeded to dismantle it, brought it to its workshops for repair, and has now re-erected it temporarily at Chelsea, before returning it to Yorkshire, where it belongs.

A.H.

The show catalogue reads like a Who's Who of all the famous names in commercial horticulture

goes well over the weekend. Not cuts will not stop at this number. It has an interesting range of trees, some in cool storage to hold them back, others in greenhouses to hurry them along, some just naturally ready. One that seems certain to be there is an unusual, small growing, pink-flowered mountain ash named Sorbus hostii.

Three Counties nurseries is making a spectacular display of garden pinks aided by Dartington Crystal, the glass manufacturer, which has provided about 100 special crystal vases and bowls for the blooms.

Matlock's Roses are including plenty of perpetual flowering ground cover roses. Cants is to have a spectacular display of cut flowers, and the exhibits from Peter Beales Roses is based on a new dictionary of roses resulting from the combination of two earlier books written by Beales, one called *Classic Roses*, and

display, always seems more interesting and revealing. David Austin Roses is an exhibitor showing growing plants flanking a central path and covering two walls. Look out for some fine shrub varieties of the type Austin calls English roses.

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derived from a cutting of a marvellous parent, still to be seen this month on the old rock garden at Waterperry, open to the public, near Oxford.

I have never seen the Neapolitan daphne near Naples. I have never seen Cneorum, except in the Dolomites among powder-blue alpine clematis. In the Pyrenees, there have been reports of a plain Daphne Cneorum, which is even more sumptuous. This weekend, I would settle for the easy eximia, one of those scented shrubs which exhibitors may show in miniature on a table for alpines at Chelsea, but which will never be seen on exhibition at its true width and glory. Some of the best things in life cannot be shown off: it may help to remember this law of nature when you struggle to see through the crowds what exhibitors can still display at its best.

R.L.F.

Golden Celebration is one of David Austin's new roses this year

Why the best is bound to be absent

THIS WEATHER has been kinder to Chelsea flower show exhibitors than in any of the last three years. It is the first green spring for much too long and no doubt the sights will be wonderful – both the flowers and the gardening public in the flesh.

Certainly, garden accessories will be ever more in evidence, although I know before I start that I will never bring myself to afford a pseudo-Victorian greenhouse. Before we are all swept away with Marques Madness, I would like to put in a word for things which will not be there.

They are not only the large numbers of gardeners who cannot face traffic-jams and do not like coaches. They are fields of unattended buttercups, now at their best; the last of the Pheasant Eye narcissus among cow-parsley and long grass; huge flax bulging over urban walls; woods of bluebells

which refute the notion that our world is already warming; clouds of flower on the best of all late-flowering cherries, the white Prunus longipes, with blossoms dangling on long stems, like cherries, fit to be worn as earrings.

Nothing mature can be shown at Chelsea, nothing as tall as the off-white Staphylea, which is dominating one of my local bus-stops, nor the huge bulk of single-flowered white Rubus Benenden, the stems have such a freshness throughout the summer. Chelsea is artificial, a suspension of disbelief. This weekend I can still disbelieve it, especially when looking at the daphnes in my garden.

Of all the noble families, daphnes are particularly ill-suited to flower-shows. I have never seen a really happy daphne at Chelsea, except for a female namesake, and I doubt if we ever shall. Right now, some of the best forms are at their peak, but daphnes would refuse to move to a show because their roots detect disturbance. Whatever you see next week, it will not be fully indicative of May's best shrubs.

Over the years I have grown about a dozen varieties, killed a few of them, and left others behind when moving house. I have tangents progressing slowly but healthily from cuttings; my retusa is less than one foot high and wide after nine years; I no longer have the scented white-flowered blagayana, which hugged the ground for five years and threw off wonderful sweetish until it died, as usual, before reaching middle-age.

I have had Daphne odora – both green and golden forms – in pots and under windows, often developing those bare lower stems and rather pale buds, which never match the bushes beside other people's doors. This golden-leaved daphne is one of the essential plants, easily rooted from cuttings. Its master, the late E.A. Bowles, once wrote that it needs "a corner outside by kitchen and chimney, the sort of place where the cat goes to bed and where blue bottles sit on the wall in late autumn." There are no flies on the cats who visit from neighbouring gardens.

These daphnes are not all easy, but I have at last found the best for my type of gardening, late in my progress through the family. It is not the tall, easy Daphne Somerset

which is leafy and makes a broad, unusual hedge. It is the daphne from Naples, which reached England in the Regency era and has behaved with quiet good sense ever since. I seldom notice it in other gardens, except in the forecourt of Jenkin Place, near Alton, Hampshire, where I first woke up to its merits. It grows about two feet high; it is completely hardy; its rather dark leaves are evergreen and vaguely reflect light; it will grow on any soil, hot, acid or not, so long as the drainage is sharp and the roots are free from interference. It seems to revel in rotted pig manure, and its flowers are a muted rose-pink, which lasts for about a month, until late May. It has a glorious scent, especially on cold evenings.

For impact, exhibitors would probably prefer my other perfume, a ruby-red mat of flowers, which is known as Daphne Cneorum eximia. I am hesitant about the name because all our true eximia derives from a wonder plant, owned by the late A.T. Johnson, one of those rare gardening columnists who added much to nursery-lists as to the newspaper columns. His daphne hugs the ground and has flowers of a rich red with a notable scent.

Some of the forms on sale seem to me to be paler than others: the founder-parent is said to have grown to the amazing width of 6 ft. I can almost vouch for this size on a plant in a previous garden: it grew in full sun and the rich soil in which this easy variety likes.

method was devised by Mr Robinson, the popular superintendent who held sway from 1942 to 1963 – a short career, given the legendary longevity of the Oxford garden's superintendents over 300 years.

The current superintendent and his staff are working to conserve a remarkable euphorbia: stigmaria. The rarest of them all, it grows on small craters in the Azores; the plant was one of only 10 specimens left in the wild. Rather

and yet, growing in the garden's demonstration beds is a handsome hybridised characias with glands which are neither eastern nor western, but somewhere in between. Part of the fascination of euphorbias is their promiscuity and variability. Rather like snowdrops and hostas, euphorbias are good news for the specialist nurseryman.

At Oxford, would-be collectors of garden-worthy euphorbias get a useful start in deciding which of the selected forms is desirable or bearable. You have to be blessed with subtle colour sense to be able to place a fiery shocker like E. griffithii "Dixter", and the various forms of "polychroma" can be hard to take.

Experienced gardeners will also spot things likely to stage a hostile take-over bid for any garden, notably "cyprissaris" and that evil little biennial "stricta". In autumn, some of the most brilliant plants in the garden are the euphorbias, especially villosa. This four-foot high floppy plant is staked in a masterly way using woven birch-prunings. This ingenious

strange frogspawn-like "flower". It could even be useful to get a clear view of those whorling bracts, male glands, and more or less warty ovaries. They will reveal whether your E. characias is subspecies characias from the Mediterranean, sporting black male glands with short horns, or E. subsp. wulfenii from the east, with longer glands and long horns.

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Euphoria over the Euphorbias

THIS YEAR'S Chelsea flower show offers a crash course on an intriguing plant: the euphorbia. Oxford University's Botanic Garden is sending a special exhibit to instruct us in the "frogspawn bush" and its thousands of cousins.

Euphorbias have a long history. According to Pliny, Euphorbus, court physician to King Juba of Mauretania, made use of the latex they contain for medicinal purposes. Euphorbias have also been used for making furniture, cream and waterproofing. North American euphorbias

have proved a sensational fast-erotic and Indian euphorbias go into making fireworks. For years euphorbias have been known to gardeners as an exceptionally valuable and varied foliage plant – although not one to everyone's taste. They provide eye-catching tints of acid yellows, oranges, blue-greys, pinks, and burgundy, at any level from the rock-garden upwards. The most eye-catching features at present are massive clumps of Euphorbia characias, waving their lime-green heads at shoulder-height.

Oxford biology undergraduates meet the euphorbia early in their career. It is held up as a prime example of how remarkably well a single genus can adapt to different environments. Euphorbia can be found growing wild in English woods, Anatolian pastures, Russia (*E. soongorica* grows to six ft in one year), and the Himalayas. What catches are to the deserts of South America, euphorbias are to Africa's internal regions.

Botany students linger over the euphorbia as a taxonomic brain-teaser. In Walker's words, it is "the flagship of the lumpers". Taxonomical thought is divided into two camps. "Splitters" argue for the ruthless division of large

families, whereas the more genial "lumpers" would like to leave well alone. The euphorbia, family of about 2,000 true species, although some experts have numbered as many as 3,000. As for its sub-classification, the euphorbia still awaits a taxonomist with the stamina to come up with a wholly convincing arrangement.

Taxonomic puzzles tend to leave gardeners cold. However, anyone with a taste for one-upmanship will enjoy acquiring the word "cyathium", the correct name for the euphorbia's

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Timothy Walker at the Oxford Botanical Garden
Lydia van der Heijden

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PERSPECTIVES

THE TRAIN that trundles southwards out of the Adderly Street station every half-hour or so has not changed in 25 years. Its carriages are still a dull rust-red. They still smell of heated metal, faint perspiration, and the fresh, salt tang of air blown in through open windows. Their seats, a rubbery blue vinyl, still stick to the back of the legs on hot February days.

We are capable of blurring events which occurred only yesterday, but there are childhood images and memories, retained randomly, which keep their definition forever. For me, rattling through the leafy suburbs of Cape Town not long ago, this train was full of such memories.

The last time I rode down the curving scythe of the Cape peninsula I was a 12-year-old in shorts, navy blazer and school cap. More often than not these trips were frantic races against the clock, panicky executions of prep not done or last-minute crams for impending Latin tests.

But on this particular morning I was anticipating a rather different kind of test. I had changed. Had Cape Town changed? Would I, after an absence of 25 years, be able to recognise the place I had grown up in? In the life of some city, a quarter of a century is not time at all. But after a political ice age, South Africa is undergoing daily, dramatic transformations. The train I was sitting in had changed not at all. What, I wondered, lay on the other side of these station platforms?

■ ■ ■

If I was somewhat hesitant and confused about what change is bringing to Africa's most beautiful city, it was partly because Capetonians themselves are currently in the same state of confusion. After more than 300 years, they are prepared to admit, just about, that Cape Town is an African city - not the historic starting point of white, colonial expansion northward, but the end point of a vast continent, culturally and racially diverse, that sweeps southwards.

This is a new view. Not far from the railway line, on the slopes of the sharp peak flanking Table Mountain, is the city's memorial to Cecil Rhodes. Here, escorted by eight bronze imperial lions, stands the statue of a mounted rider who stares with determined confidence, out across the Cape Flats to some distant goal far up the length of Africa. Dedicated to the man who dreamed of creating a white dominion stretching from the Cape to



Where beauty is unavoidable: the massive bulk of Table Mountain looms over Cape Town

Serene in Africa's Camelot

Cairo, the statue is named, simply, "Energy".

After decades of national division, violence and deep moral malaise, Capetonians seem finally willing to let the spirit of Rhodes rest. Like most other white South Africans, they see the inevitability of finally accommodating themselves to the continent they live on. The energy of white enterprise in Africa may still direct them, but the determined confidence is gone - today they look to the future with a great deal of uncertainty and soul-searching.

Perhaps more than other whites, they fear the risk of loss, for until now the Cape has offered them a life quite unlike that found elsewhere in South Africa. Two factors - history and climate - make it unique.

Cape Town is an old city. Some 300 years ago, when Dutch colonists first confronted local Hottentot and Bushman tribes here, it may have been on the cutting edge of events. But since then the frontier, and history, has moved on; the great tides of conflict that have swept over South Africa - black against white, Boer against Briton, Xhosa against Zulu - have risen and fallen time and again on the high veldt far to the north.

Without a large black population forcing confrontation and change, the city has usually sat on the sidelines of the country's dramas and crises. Its largest group, more than 1m South Africans of mixed race, live in the townships of the Cape Flats and seem hardy to intrude on the life of the peninsula. It is Cape Town's 300,000 whites who have created and enjoy its affluent, privileged life-style.

Genteel and old-fashioned, dignified and somewhat aloof, the city today is like a great aunt who has found a chair in a quiet corner of the drawing room. From the calm of the Cape peninsula she can observe, without becoming too deeply involved, the brash and unseemly behaviour of her younger cousins in the Transvaal and Natal; it is Johannesburg and other volatile cities, she knows, that will argue out the future of the feuding family that is South Africa.

For her part, she carries on concocting what she has always had - the good life. In politics her white electorate, far from the centres of tension and conflict, can afford a liberal vote, and worry far more about recession, unemployment and rising crime than the prospect of a black president. Politics, in fact, is not really what interests this city at all.

Held in thrall by a balmy Mediterranean climate and a stunning maritime topography, Cape Town tends, rather, to a sensual, outdoorsy view of life.

Along the 45-mile length of the Cape peninsula Nature conspires to prove, whatever evidence exists to the contrary elsewhere, that life is rich, generous and pleasurable. Capetonians are only too ready to believe. They flock to the peninsula's beaches, cycle its mountain roads, roam its fragrant forests and vineyards,

tonian version of Camelot, an idealised, suburban England moved far away to a sunny, affluent antipodes.

In Newlands, I walked past ivy-covered houses set in well-manicured gardens. The trees were still as shady, the swimming pools as turquoise, the BMW's as well polished a they had ever been. Not even the clubby laughter and the leisurely thock...thock...thock sound of tennis in the fresh morning air had changed.

In Rondebosch I visited my

nub of the faces under those cheesecutters are now black. In the high-rise suburb of Sea Point, better-off mixed-race and Indian families have begun buying property. In some of the less expensive restaurants and bars in town there is a scattering of non-white patrons. The places where different races can and do mingle are limited - where apartheid is no longer operative money is, and shall continue to be far into the future.

None the less, such minor transformations are signs of enormous shifts in attitude and willingness to change. Where other places have been pushed forward struggling, Cape Town has stepped more or less gracefully. If there is uncertainty and doubt about the future, there is also a good measure of hope.

Sitting at Claremont station, waiting for the train back to the city centre, I talked to a young woman with little money, background or education, but a great deal of ambition. In a class of eight in her secretarial course at night school, she was the only white. A few years ago she would never have attended such a course, much less admit that she enjoyed the company.

More liberal, under less racial strain, and benefitting from a relaxed attitude to life, Cape Town stands a better chance of success in the new South Africa than her sister cities. Like the train of my memories, the city has hardly changed, and the destination of a non-racial society remains a great distance off. But the passengers now at least seem willing to chance the ride.

■ ■ ■

To me, wandering about the city's southern suburbs, Cape Town's essentially hedonistic character seemed to have changed little. Beyond the railway platforms, I found myself once again in a Cape

old secondary school; cheese-cutter hats, the fat system and caning still make Tom Brown look like a contemporary there, but what are these inconveniences compared to the joys of a long and glorious rugby tradition? In Kempton Park, I sat in a pew at Christ Church, listening during choir practice to the same Anglican hymns that I had mumbled my way through there.

Taking myself off through the winding lanes, elegant estates and white, Dutch-gabled farmhouses of Constantia, I met former schoolfriends, the sons of wealthy professionals, who are now wealthy professionals themselves. It seemed one generation had simply taken over from another.

Had nothing changed at all?

Physically, there are few dramatic alterations to life in Cape Town so far. A small

number of the faces under those cheesecutters are now black. In the high-rise suburb of Sea Point, better-off mixed-race and Indian families have begun buying property. In some of the less expensive restaurants and bars in town there is a scattering of non-white patrons. The places where different races can and do mingle are limited - where apartheid is no longer operative money is, and shall continue to be far into the future.

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It is astonishing that anyone ever made such a comparison with 1940. It seems the conventional picture of Switzerland needs some revision. Let us begin by returning to that unnecessary firm denial that Switzerland needs World Bank money, and imagine that it is a very interesting country.

Today, bookshops there are stacked with thick best selling tomes with titles like *Switzerland at the Crossroads: The Illusion and the Dilemma*.

Whatever the NZZ says, uncertainty runs deep for many reasons. A substantial portion of national income has been lost

through the global war against drug-money laundering. There has been a savage reduction in the number of corrupt dictators who kept their hands in the national till and needed a safe haven to protect the proceeds. There is the Euro-threat to numbered accounts. The rate of inflation is higher than in Britain and the franc is weaker than the pound.

The country is plunged in angst. So it was that the biggest Zurich paper, the *Tages Anzeiger*, carried a lengthy piece on "Sullenness, suffering, pain, misery and disgust" on the city's tram. Jürg Rohr studied personal relationships between passengers. The result provides a nightmare picture of a society in turmoil. General sullenness is the informal atmosphere in the train. Eliminates the power-surge from the moment they enter; at present there is no conversation on the tram. Sullenness demands no special cause, merely being in the rattling transport cage with its clammy hanging straps suffices, even without the dandruff on the nearby shoulders and the pungent perfume from under them."

That creates the right atmosphere for the sociological analysis: "One person is sitting by the window. Another sits down in the next seat. Why beside me? The uneasiness which stems from the proximity of a stranger is expressed by turning the head away, but that brings other problems in its train when the train is at a stop and another train stands at the platform. It appears that everyone is caught in a frozen stare, for on the other side yet another stranger sits, thereby threatening eye contact through the windows. So all heads face sternly forward at trams, only to twist towards the window at the moment of departure. The measure of the unease on the double seats can be seen in the speed with which the victims flee to any single seat that becomes available."

The fear and horror of life on the Zurich tramway system is of course merely a metaphor for life in contemporary Switzerland. The times are changing. Even so they follow middle-Europeans, the Viennese, still smirking. "Our central cemetery is twice the size of Zurich, and twice the fun."

Nevzavimaya Gazeta of Moscow asked the American economist, Igor Berman, to characterise the state of the Russian economy. "The situation is hopeless," replied the distinguished visitor.

James Morgan

■ James Morgan is economics correspondent of the BBC World Service.

As they say in Europe Exciting times for the Swiss

"THE EXOTIC, mysterious land at the heart of Europe," is not a slogan of the Swiss Tourist Board. Few would believe it because nobody takes the slightest interest in what is going on there. As a result there is a lack of awareness of the crisis which grips the country. Tomorrow there is the referendum on whether it should join the IMF and World Bank.

Switzerland jostles with North Korea and Cuba for the honour of being the most important country outside the two foundations. If it enters it will be in the wake of such riff-raff of the international financial community as Azerbaijan. It would be joining at a time when the IMF is preparing to bankrupt itself in a last-ditch attempt to rescue the economies of the former Soviet Union. So why should a supposedly hardened banking nation enter at this juncture?

It is essential, says the *Neue Zürcher Zeitung*, even though Switzerland needs no credit from the international community to build schools and hospitals and in the foreseeable future the franc will not be shaken by deficits and speculation. That such a prospect can even be contemplated may shock outsiders but this is by no means shocking to a nation mired in a crisis of identity.

The same edition of the NZZ used its front page as a vehicle for a study of where various European countries stood in the post-Maastricht debate penned by the editor-in-chief, Hugo Butler. The main item on page one of the NZZ is not necessarily the most interesting topic of the day, far from it. Yet the article was not without surprising twists.

The headline tried to maintain standards: "Between economic community, internal market and political union: Paths and cul-de-sacs in the European process," but the agonising over what Switzerland should do about Europe provided the unexpected. "The European problem facing Switzerland today is quite different from that of 1940. At that time it was a question of sheltering under the spines of the hedgehog and maintaining a free resistance in the Helvetic Redoubt against Hitler's dictatorial 'New Europe'."

It is astonishing that anyone ever made such a comparison with 1940. It seems the conventional picture of Switzerland needs some revision. Let us begin by returning to that unnecessary firm denial that Switzerland needs World Bank money, and imagine that it is a very interesting country.

Today, bookshops there are stacked with thick best selling tomes with titles like *Switzerland at the Crossroads: The Illusion and the Dilemma*. Whatever the NZZ says, uncertainty runs deep for many reasons. A substantial portion of national income has been lost

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"A lot of people I know have been called in on sole reviews, asked why they came here in the first place, and told they should go back to wherever they came from. And it always seems to be non-nationals. If we're all part of the EC now, though, how can they ask people questions like that? And what would happen if they started throwing Irish people off the dole in England for similar reasons?"

"We're nomadic druids, can we use your field man?"

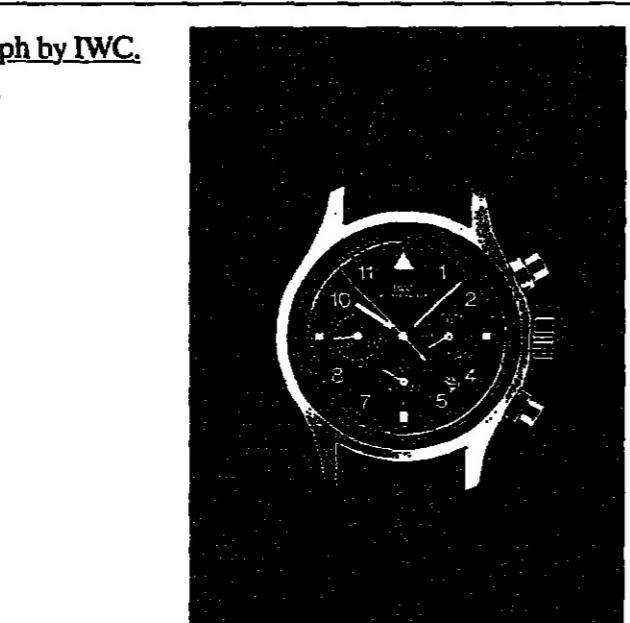
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says his friends in England regard west Cork as a great place to live, uncrowded and undemanding. "Most of the people I know who have come here are fed up with the political climate in England. And there's not much chance of jobs there, anyway. We buy buses, caravans, put whatever money we can raise into converting them. Then we go on the road, do odd jobs, travel. We can't afford to buy places or pay rent, so what else is there for us?"

"A lot of people I know have been called in on sole reviews, asked why they came here in the first place, and told they should go back to wherever they came from. And it always seems to be non-nationals. If we're all part of the EC now, though, how can they ask people questions like that? And what would happen if they started throwing Irish people off the dole in England for similar reasons?"

"We're used to people who look different, practise strange religions, and want to live in tents in the woods," said one Glengarriff local. "But, just lately, these people coming in seem to have changed. They don't have the easy-going attitude hippies had 10 years ago. And some of them are dirtier, arrogant. They really seem to think the world owes them a living."

Andy Ridgeway, a newly-arrived alternative lifestyle, says his friends in England regard west Cork as a great place to live, uncrowded and undemanding. "Most of the people I know who have come here are fed up with the political climate in England. And there's not much chance of jobs there, anyway. We buy buses, caravans, put whatever money we can raise into converting them. Then we go on the road, do odd jobs, travel. We can't afford to buy places or pay rent, so what else is there for us?"

Gerald C

PERSPECTIVES



Man with a mission: Jose Maria Escrivá de Balaguer

THE arcane process of beatification has become the subject of an unseemly controversy.

Tomorrow, before an expected crowd of 200,000 pilgrims, who have travelled from all over the world to St Peter's in Rome, Pope John Paul II will beatify Msgr Jose Maria Escrivá de Balaguer, the founder of the Roman Catholic movement, Opus Dei.

In so doing, the Pope will place his seal of approval on the life and example of this Spanish priest from Aragon who died in 1975. He will also confirm the secretive Opus Dei movement as one of the most powerful forces in the contemporary Catholic Church.

Beatification makes a person a saint and is the final step before canonisation which guarantees a place in paradise. Canonisation can proceed quickly or take centuries. But beatification automatically draws a cult of sanctity...

The cult of sanctity around Escrivá has aroused both extreme devotion and deep suspicion. The crowds of devotees who have come to Rome to venerate his corpse attest to his popularity. But his beatification has upset many Catholics, not least among the Jesuit community who mistrust Opus Dei's conservative bent.

Critics say he is being beatified with undue, even offensive, haste. Corners have been cut and hostile witnesses ignored by a powerful lobby which fears Escrivá may be viewed differently by another Pope.

Part of the controversy concerns the saint-making process, streamlined by Pope John Paul II in 1983. This produced the biggest shake-up in 400

years of the Congregation for the Cause of Saints which judges each case or "cause". This Polish Pope believes the modern Church needs fresh saints to provide new role models for the faithful; and he has done more than any other pope to create saints from different backgrounds and different countries.

By 1989 after ten years of office, he had beatified 123 people against a total of 79 by the previous seven popes this century.

At a time of increasing ecumenism, this continued belief in the value of beatification remains one of the greatest divides with the Protestant churches. The effects of Martin Luther's denunciation of the abuses of the cult of saints and their relics, which led to the Protestant break with Rome, have not disappeared.

Equally controversial is the figure of Escrivá. Critics say he was too ambitious, too irascible and too involved with Franco's regime to attain the "heroic virtues" of a saint. This scarcely squares with the image projected by his promoters: a combination of spirituality, charity and temperance with a deep understanding of the problems of coping with a materialistic society.

And in Opus Dei, Pope John Paul II sees an ideal instrument to combat the decay of religion in industrial societies. It is well organised, discreet, conservative and rich. It has the funds to help in the re-evangelisation of eastern Europe. The movement was accorded the unusual privilege of a personal prelate in 1982, the Pope giving Opus the right to appoint its own bishops.

Escrivá founded Opus Dei in 1928, conceiving it as a group

The rush to beatify an impatient saint

Robert Graham on the controversy over a campaign by the secretive Roman Catholic group Opus Dei to make its founder a saint

of lay people and clergy to spread the Catholic word through their daily working lives. He expected devotees to win converts by example. His philosophy was enshrined in a book, *El Camino (The Way)* published in 1939. It is a curious mix of unoriginal homely aphorisms, common sense advice alongside puritan zeal and exhortations to success. The novelty of his message lay in the emphasis on members continuing in their chosen jobs – indeed this was seen as how that could best serve Opus Dei.

Devotees are expected to contribute from their salaries and to hand over inherited money, this has created the wealthiest modern Catholic movement and led to complaints that Opus Dei retains a sect-like hold on its members alienating them from their families.

Opus benefited from close links with the Franco regime. This spread its influence and popularised the view that its members were an influential free-masonry. Although education was strictly state controlled, Opus was allowed to open a private university in Pamplona and establish Spain's first, and still most prestigious, business school in Barcelona. Escrivá was astute in encouraging Opus to "fish" for future elites in the universities – a policy it also followed in Latin America.

Opus technocrats were willing to enter government under Franco, and in a field restricted by the exclusion of liberals and anyone to the left, they were the best talent available. At least four Opus members were ministers under Franco and they were instrumental in beginning the liberalisation of Spain's economy in the late 1950s.

But Opus' financial history has been chequered. The 1962 liberalisation of banking laws pushed by Opus member Mariano Navarro Rubio was seen as an attempt to break the monopoly of the big banks to allow Opus financiers a share of the action. The most spectacular financial collapse during the Franco era involved Opus connections with the textile group Matesa, which fraudulently obtained export credits. And though denied, it is suspected that Opus backed the earlier career of Jose Maria Ruiz-Mateos, the founder of the Rumasa banking empire which was forcibly taken over with massive debts in 1982.

Escrivá's sponsors glossed over both the political connections of Opus and the financial dealings of its members. Of more concern to his detractors was his personality and ideas. Escrivá also had antagonistic relations with the Jesuits, the most liberal arm of the Church. He sacked his Jesuit confessor, Father Valentino Sanchez, in an argument over Opus.

These criticisms might seem

the natural response to a movement which has the Pope's ear and powerful friends in the Vatican. They also stem from a sense of unease that Opus represents a return to conservatism in the Church, overturning the liberalising influence of Vatican Council II.

Mons de Magistris summed up the concerns of many saying: "It seems to me totally ill-advised to assume the responsibility of assessing his heroic virtue at a distance of only 14 years." He said "sev-

eral decades" should pass to let passions cool.

The 15 volumes of the Biblioteca Sanctorum list more than 10,000 saints. Many are early martyrs or were created before the process of saint-making was formalised. He referred to Escrivá boasting about depriving himself of water and his vain-glorious mortification.

Escrivá claimed a vacant noble title to become the Marquis of Peralta. Although this was reportedly done to please his mother, it was a curious move for a future saint. Maria del Carmen Tapia, an Opus "numerary" from 1948-66, has just written a book given much publicity in Spain. She claims he insulted her, had no respect for women and when at table always insisted on being served first.

He was a man obsessed with what others thought of him, she says. Opus, insists Tapia, is a sect which even in Escrivá's life-time practised a fanatical cult of its leader. Tapia,

ful. Over 6,000 letters backed Escrivá's candidature, including recommendations from 69 cardinals and 241 archbishops.

The 1983 beatification reforms cut the time sponsors had to wait before submitting a cause from 50 to five years. The next step is to obtain the Pope's *nihil obstat*, or formal approval to proceed. This is perhaps the most "political" phase, reflecting the prevailing climate for the type of saint preferred.

The present Pope has been cool towards proceeding with the beatification of Archbishop Oscar Romero of San Salvador who was murdered by right-wing gunmen at the altar in 1980 because of the latter's identification with Liberation Theology. On the other hand, he encouraged the cause of Maximilian Kolbe, a Polish Franciscan monk, who died in the Auschwitz gas chambers to save a companion. (Martyrs are meant to die for the faith but the Pope created a new category of martyr for charity.)

The *nihil obstat* for Escrivá was given in 1981, six years after his death. Once passed this hurdle, sponsors must have the funds to prepare a *positio* – a sort of theologian's brief comprising a justification for sainthood, biography and exposition of virtues.

The sponsors can "angle" their material, the staffing of the tribunals and the selection of witnesses who give evidence about the "servant of God". For Escrivá the main testimony of over 450 pages came from his personal confessor and heir, Bishop Alvaro del Portillo. Mons de Magistris in his judgment of the cause said this testimony should be excluded to only partial.

The Escrivá Rome tribunal documents weighed 86 kilos. His complete *positio*, one of the largest ever, was delivered to the Congregation for the Cause of Saints in Rome: within seven years of the *nihil obstat*.



Searching for saints: Pope John Paul II

tumour on a Carmelite nun). Advances in medicine and science make miracles more suspect and difficult to prove; and the Pope has reduced from two to one the number necessary. The absence of a miracle can delay causes indefinitely.

The sophistication of science and the greater access to archive material combined with a scepticism about miracles makes the beatification process more vulnerable.

In this sense, Escrivá could become a test case if details emerge that reveal his life was less than saintly. Kenneth Woodward, an American religious journalist and author of a study of beatification *Making Saints*, warns that there is "a very real possibility that archive material will turn up reflecting negatively on the candidate." He adds: "The potential embarrassment to Escrivá, to Opus Dei, to the Congregation, to the Pope and to the Church is obvious."

Hannibal-style habits

Gerald Cadogan considers evidence of human sacrifice



I S HUMAN sacrifice a nasty habit or is it deeply rooted in tradition? The truth is: a bit of both, and archaeology keeps finding new and startling evidence of the practice where we least expect it. Recently I saw the latest find, among the foundations of a new hotel at Amathus, near Limassol in Cyprus.

The Phoenicians of Lebanon probably introduced the practice; they had a long history of human sacrifice, and were a power in Cyprus. But other stories come to mind, from Greece, from Abraham and Isaac, and that of the Lindow Man, a well-manicured, upper-class 25-year-old who was hit on the head, garroted and had his throat cut before he was placed in a marsh in Cheshire as an offering to the Celtic water god.

The custom of offering young humans to a god as gifts is old and universal, but not frequent. It was best to give one's own child, preferably a first-born male; if he was not available, a daughter would do, or prisoners of war.

In Greek stories the habit is not common. It was seen as something reprehensible that created blood pollution, but at times could not be avoided. The tragedians made good use of it. When the gods deny the Greeks a fair wind to sail to Troy, Agamemnon, their leader, has to sacrifice his daughter Iphigenia. His wife Clytemnestra is furious and has 10 years at home during the siege of Troy in which to nurture her bitterness. When Agamemnon comes home she hurl's snide fury at him, encourages him into a hot bath

and stabs him. The next step is for their son Orestes to kill his mother, for which he is condemned to wander in exile, until he reaches the Crimea where he is reunited with his sister Iphigenia, and the polis.

It is difficult to find examples of human sacrifice from the 6th century BC when the tragedians were writing about it. But 800 to 1,000 years earlier, in the Bronze Age, it was certainly happening. Children were buried under thresholds, presumably as an offering of first fruits for the prosperity of house and home. At Knossos in Crete children's bones were found a few years ago with butchery cuts as on animal sacrifices. They are probably the left-overs of cannibalism, perhaps a ritual to avert a disaster.

The leading sacrificers of the ancient world were the Phoenicians, who traded throughout the Mediterranean and founded

colonies in Sicily, Sardinia and North Africa. At their settlement at Carthage in Tunisia – Rome's great enemy – you can see the place of sacrifice, called a tophet, by the harbour. Here thousands of vases were found, all of the same type, containing burnt children's bones and animal or bird bones. Stones mark the spot. Originally there would have been many more.

Children, animals and birds burnt in topets give plausibility to the story of Abram and Isaac.

When they reach the high

place on the mountain, Isaac

carrying the wood for his own

pyre, asks: "Where is the lamb for a burnt offering?" And at the last moment when Abram has the knife in his hand, God stops him. He may substitute a ram, a male sheep, caught in a nearby thicket.

The tale leads straight to the

theology of the sacrifice of

Jesus, God's only son and also

the lamb of God.

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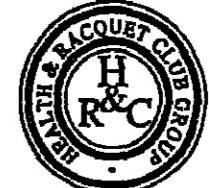
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FOOD AND DRINK

Appetisers / Nicholas Lander

An Italian takeover in Japan

FOR THE winemaker, busy restaurants selling their wine by the glass or bottle are the most effective and obvious way of making new customers. Many wine makers spend a great deal of time drinking their own wine in restaurants around the world as a way of promoting sales.

No-one does it more assiduously than Angelo Gaia, the top wine-maker in Barbaresco, Italy, who has seen exports of his wines to Japan soar as the Japanese have fallen in love with Italian food.

In 1988 there were 72 Italian restaurants in Japan; today there are more than 1,000 and by the end of 1994 it is estimated there could be as many as 2,400.

The quality of these restaurants is very high, too. Gaia confessed recently that the best Italian meal he has had in the last six months was in Tokyo at the Ristorante Manin (tel: 0120-11-3778) when his menu included risotto with squid

ink, pasta with Japanese mushrooms and stewed ox tail.

Last month the Enoteca Pinchiorri opened in Tokyo (tel: 03-3289-3081) borrowing its name and style of cooking from the now world famous Enoteca Pinchiorri in Florence with Giorgio Pinchiorri, the owner of the Florentine restaurant, acting as consultant.

At its opening dinner to 480 Japanese businessmen, diplomats and journalists it served a typical Italian menu which included Tuscan squid salad, sea bass with thyme and olive oil, lobster ravioli and a range of top Italian wines to match.

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For originality of concept and design Belgo, a new restaurant specialising in Belgian food and beers, is hard to beat. In an ultra-modern, basement conversion the food is good and more varied than just moules and frites (my waterzooi, a

Belgian fish and vegetable stew was excellent), the selection of more than 20 Belgian beers exciting, and the waiters' uniforms, purple monk's habits with black aprons, unforgettable.

It is open all week from 12 noon to 11pm, 72 Chalk Farm Road NW1, Tel: 071-267-0718. Bookings taken on the day only. Approx £20 per head.

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News of two new London restaurant openings and three going out off their way to attract new business.

Stephen Bull has opened his second restaurant, a bistro and bar, at 71 St John Street, EC1 (071-490-1750) and Antony Worrall-Thompson has moved on to dell'Ugo, a multi-layered Italian bar, cafe and restaurant at 56 Frit Street, W1 (071-734-8330) with a particularly interesting menu.

The Inn on the Park, W1, (071-492-0888) has responded to the

recession by sharply reducing margins on its wine list and Al San Vincenzo, at 30 Connaught Street, W1, (071-362-9623) is replacing its set-price-only menus with a no-minimum-charge policy to attract more diners more frequently. Martin's, at 239 Baker Street, NW1, (071-933-1310) has been refitted as a bar and bistro serving three courses at around £20 per head.

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The 1992 Andre Simon Memorial Award for the best food book of the year went to Arabella Boxer and Tessa Traeger for *A Visual Feast* (Century, £20). Oz Clarke took best wine book of the year award for *New Classic Wines* (Webster/Mitchell Beazley, £19.99).

A special commendation went to John and Sally McKenna for their *Irish Food Guide* (Estragon Press, £9.95). The McKennas have just produced three new more detailed

guides to Ireland for 1992 - *100 Best Restaurants*, *100 Best Places to eat in Dublin* and *100 Best places to stay in Ireland* (£4.99 each).

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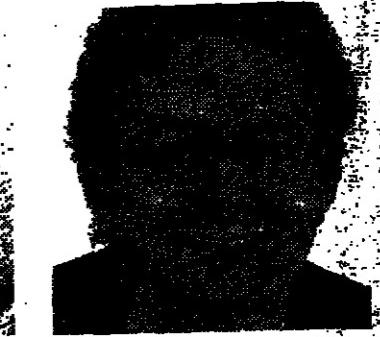
Prisoners Abroad is a charity which cares for the 600 British people imprisoned overseas. One of its supporters is also a collector of fine wines who has donated a wonderful range of bottles for a special wine dinner to be held on June 29 at Shampers, Kingly Street, London W1. The wines include mature vintage champagne and white burgundy, magnums of Chateau Leoville Las Cases 1961, and bottles of Montrose 1971, Lafite 1966, Domaine de la Romanée Conti, Richebourg 1982 and Dow 1963. There are 16 places available at the dinner and interested bidders should phone Mark Astarita at Prisoners Abroad (071-833-3467) who is hoping for offers of a minimum £100 per place.

FT DUO WINS FOOD AWARD

IN THE 1992 Glenfiddich Awards, made to those who have helped raise the standards and enjoyment of what we eat and drink, the Weekend FT food and wine page had three of its writers shortlisted. Jancis Robinson was nominated for drink writer of the year, Nicholas Lander for restaurant writer (they are pictured below) and Philippa Davenport for cookery writer.

Our husband and wife team, Jancis Robinson and Nicholas Lander, won the third category for which they were entered when their television series *Matters of Taste* (C4) was voted television programme of the year.

The food book of the year was awarded to Elisabeth Luard for *The Flavours of Andalucia* (Collins & Brown £14.99) and the overall trophy to Claudia Roden. Roden has written extensively on the cooking of her native Middle East and her book on *Coffee* (Penguin, £4.99) remains one of the most enjoyable on that subject.



Jancis Robinson goes to New York to meet the world's most influential wine merchant and Karen Fricker looks at US wholefood

THE US may no longer enjoy its mid-1980s status as the wine world's biggest spender, but Abdallah H Simon is still the lynchpin of the international wine trade.

This is not just because he is such an important customer - his Chateau & Estate Wines Company sells up to 40 per cent of America's imports of fine wine, notably classed-growth bordeaux - but also because he is the only wine merchant to be taking decisions crucial to the world's wine trade with the benefit of four decades' experience.

A measure of the breadth of that experience is that Simon must be the only *chevalier* of France's elite *Légion d'Honneur* to be a graduate of England's Southport College, the University of Beirut, the Iraqi army and, when he finally managed to escape rising anti-semitism in his native Baghdad in 1943, the US forces in Europe.

It was a simple bottle of Ch Latour 1929 that propelled him from the family textile business into the fledgling US wine trade to which he has applied his business skills for 40 years, 18 of them creating Chateau & Estate, an empire to his own specifications within America's Leviathan of liquor, Seagram.

Revered by all who matter in America's wine business, he is of course courted assiduously by some of the world's grandest wine producers. It would be reasonable therefore to expect a certain arrogance in the man, but from Bordeaux to the Bronx it is agreed that the softly-spoken 70-year-old Simon is, above all else, a gentleman.

The US wine trade needs Simon. His honour and old world manners legitimise it. His warehouses feed it. His salesmen service it. His company effectively finances its investment in the now all-important wine futures market. (In many states, including New York, customers cannot be invoiced until the goods are delivered, which may be two years after wine futures are reserved - hence some cancellations, notably of the somewhat stolid 1988s, which have not smoothed Monsieur Simon's hianual path to Bordeaux.)

But the wine trade needs the man himself at least as much as the corporation's ability to finance two to four years' stock. His contacts in France are personal and unparalleled. Only a hand-shake seals C & E's agreements with the 200-plus regular imports listed somewhat incongruously in Seagram's corporate Brand Index, from St Simeon first-growth Ch Ausone to Trimbach's obscure Liqueur de Framboise raspberry syrup.

In New York Ab Simon has additional duties as arbiter, father confessor and sounding board. "Don't ask me about him, I tend to get emotional," says Marvin Shanken, hard-bitten publisher of the industry's most-read publications. "I really love the guy. Whenever I've had controversy as a journalist, whether he represents the wines himself or not, he's always given me an honest appraisal."

Michael Aaron, head of New York's most traditional smart wine merchant Sherry Lehmann, readily admits: "If I formulate an idea about something, I



Francine Simon with Louis Latour (right) and Ab Simon who won't be buying the 1991s

The gentle giant of Park Avenue

call Ab to see what he thinks. He's a positive asset to the whole industry because he really understands the whole picture."

Understanding the whole picture nowadays means much more than being able to speak French and German and eat with a knife as well as a fork. It means coming to grips with America's increasingly faddish wine buyers, all of whom depend on the same two or three authorities to tell them, through controversial scores out of 100, exactly what to buy. "Scores? Well, look," says Simon "we're novices in the wine market. Our consumers need to be guided. And the scoring system has definitely been very good for business."

American collectors today will buy only those years sanctioned by the critics, which means that C & E sold 1.5m bottles of 1989 classed growth bordeaux, but less than a fifth of that so far of the well-publicised 1990s. If Ab Simon earned the respect of the wine world by well-publicised efforts to hold down prices of the 1980s, his most expensive

mistake was buying the overpriced, unlived 1984s in order to keep his allocation with the chateaux.

That small but vigorous American minority prepared to pay \$20 for a bottle of bordeaux nowadays has been primed to scorn 1984, which is why C & E's 1984s (even the fabulous Chateau Petrus of which C & E are given 90 per cent of the US allocation) are still being offloaded, via French and even British merchants, into French supermarkets.

Simon has learnt his lesson. "The 1984s highlighted for us that the US consumer needs a strong, clear image of a vintage. For that reason we won't be buying the 1991s, except for taking up our small allocations of the first growths, because the image of the 1991 harvest is so confused. And the 1991s are coming out at prices that are too high, higher than the 1987s which are not exactly selling, as we say, like hot cakes. The 1991 vintage is not for us in terms of futures and I don't think it is for the US market even after it has been

bottled." (Take that, Bordeaux.)

He was to communicate all this to Christian Moueix of Ch Petrus over lunch the next day (he lunches about twice a week at the famous Four Seasons restaurant just below his quiet Park Avenue office). That night he and his popular wife, Francine, with whom he always travels, were still hosting a 15-wine dinner for 50 at 11.30. Those of us three decades younger found it quite punishing.

But Simon says he has no plans to retire, and that last year's heart surgery should have set him up for many years more. "I try very hard to do the right thing," he claims as his motto. But there are those in the wine trade who feel that no eventual successor could possibly match his probity - and there are those who fear an option with very much more serious consequences, that Simon alone is capable of keeping Seagram's faith in the exceptionally labour- and capital-intensive fine wine market.

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HOW TO SPEND IT

Eye-catching shapes to put you in the shade

Expensive sunglasses are no longer just for poseurs. They are becoming an essential fashion accessory, says Lucia van der Post



SOME USE them to hide their hangover, some to look glamorous, some to seem famous and others just to "avoid having to say hello". And some people, of course, even wear them to protect their eyes. We are talking about sunglasses, the ubiquitous shades without which no Grand Prix race, film festival or fashionable night happening could take place.

Shades these days are more than just a passing fad. They are part of the growing essentials of the fashionable person. Ritzy designers worth their logo turn them out in droves. Men and women no longer content themselves with a single pair for serious jetting or the tropical sun - in fashionable circles they are bought like handbags, a pair to match the mood and occasion.

For those who think that shades are only for poseurs, it is worth saying that this is simply no longer true. The evidence is piling up that, these days, eyes need protecting from the bad rays of the sun - the UVAs, Bals and Cals - that are increasingly penetrating the thinning ozone layer. All have long ago been identified as being harmful to the retina and contributing to the growth of cataracts. Of all the rays, invisible ultra-violet radiation is the most dangerous to the human eye and, of course, not easy to identify. For instance, in Namibia, which I have just visited, inside the characteristic thick morning mist rolling in from the Atlantic shore hover highly dangerous ultraviolet rays.

So, having agreed that shades these days are more than just a glamorous fashion accessory when strong sun

light or ultraviolet rays are around, how do you choose them?

The temptation is to begin with the frames. Thick tortoiseshell from Giorgio Armani, solid black from Valentino or little round metal ones from Romeo Gigli? A tempting roll-call but - hold your horses - take a look at the lens first - most of the big names produce lenses of high optical quality and lenses is where you should really start.

Daska Barnett, President of the North London Optometrists Society advises checking on the label to see if a lens is produced to British Standard 2724 - not easy to do as many, particularly the most fashionable sunglasses, are imported. Good opticians, however, will give advice and most will not deal with lenses which are not up to proper optical standards.

The British Standard classifies sunglasses into several categories of which the most relevant are:

- Cosmetic Purposes (mainly just a fashion accessory, these lightly tinted glasses will not protect against significant sunlight);

- General Purposes (will reduce glare in bright conditions, including driving in daylight);

- Special Purposes (which means they will reduce glare in abnormal conditions such as sailing and skiing).

Either glass or plastic or glass lenses will do. Plastic lenses can protect the eyes just as well (provided, of course, they have the UV filter) but they are slightly easier to scratch unless they are coated.

Some manufacturers, such as Luxottica, produce lenses of tempered crystal making them more resistant to scratching and breakage.

Remember that the colour of the lens has nothing to do with how much UV protection they



provide. If lenses are coloured, but do not protect against UV rays, Daska Barnett says they are more damaging to the eyes than wearing no glasses at all. The eye, noticing that it is dark, dilates making it more vulnerable to the sun's rays, whereas usually in bright sunlight an eye with no glasses over it uses its own protection system by contracting the iris and allowing fewer rays to penetrate.

If you have not bought a pair recently you may need to sit down before you consider the matter of price. A designer name, such as Armani or Valentino will cost anything from £25 to £160, while Yves St Laurent starts at £110 and at Cartier, a £290 price tag, if not *de rigueur*, is reeled off without a blush.

A designer name is not just a

way of paying a lot of money for something that could be bought cheaper - designers have to solve complicated functional and technical problems as well as producing frames and lenses that give the consumer the image he is after. A canny manufacturer such as Luxottica needs designers such as Armani and Valentino not just for their names, but to make sure his ranges are at the forefront of fashion.

Ever since Bausch & Lomb was asked to produce anti-glare glasses for fighter pilots in the 1930s and came up with the functional Aviator shades, sunglasses have joined that troupe of accessories that tell the world more about you than you may wish it to know. For years Ray-Bans (as they came to be called), Aviator and Wayfarer shapes were the only frames to wear (they still are perennially, classically fashionable) but these days the choice is vast.

At Harvey Nichols,

the Knightsbridge store, a snazzy new sunglasses department has just opened and Daniela Rinaldi, the buyer, tells me that two current looks are big arms, wide eyes, wide-frame tortoiseshell - Persol, the Italian brand, at about £99, Cutler & Gross (cats-eye shaped, tortoiseshell frame) at about £70 - and small-round

metal frames (here the lead brands have to be Gauthier, at anything up to £300, and Romeo Gigli).

Confident extroverts could go for Moschino - lots of cheeky designs like credit cards and combs on the arms, spots and colour, Dame Edna-style jewel-encrusted frames, all jokey, fun and slightly tongue-in-cheek at prices ranging from £105 - £185.

Almost every manufacturer

these days has to offer its own version of the shapes now in fashion - little round metal glasses, Jackie O, Grace Kelly, teamed with Hermès-style silk scarves (think of the Riviera circa 1960 *To Catch A Thief* time). For the shapes without the chichi price tags, Mazzuchelli is a name to look out for - most lie in the £55 - £99 bracket.

Serengeti's is a good photochromic range traditionally fashionable with toughened glass making them safe. The Aviator shape sells the best in that range.

For drivers looking for protection, it would be hard to beat the Serengeti range. Dollond & Aitchison, a chain of some 500 opticians around the UK, reports that Serengeti is one of its best-selling ranges. Not cheap - prices range from over £100 to £250 - they sport specialised photochromic

lenses. The glass is toughened and the lens is graded in colour so that it is darker at the top, giving more protection when looking into setting or rising sun, and lighter at the bottom so that the driver can still see the dashboard.

Persol, it seems generally agreed, does the best fold-ups at about £99 but it also has a popular Italian cats-eye style - wide-armed in tortoiseshell, also at about £100.

For those who wear glasses all the time, there are two solutions. Clip-ons were once considered naff but these days they are all part of the look. Dark clip-ons start at £5.99 and designs get better all the time.

Best of all for the four-eye set has to be prescription lenses. Dollond & Aitchison opticians is at the moment offering tinted prescription lenses for £59 in plastic or metal frames in reasonably fashionable styles (including a wide variety of aviator designs). Bi-focals will cost a little more.

Those who - whisper it quietly - are prone to sweating might look at titanium frames. These are extremely light and so cause less pressure and the metal is unaffected by acid in the perspiration. A good range to look at is one produced by Luxottica.



FAR FROM THE GOLFING CROWD

On the 29th June 1992, members of Castle Combe Golf Club will drive off for the first time on this magnificent new course. Not that they will need to rise early. With an absolute total of 550 full members, Castle Combe is scarcely likely to be overcrowded.

The 6340 yard Peter Alliss/Clive Clark designed golf course has been constructed in an area of outstanding natural beauty, just outside the village of Castle Combe, which has been voted the "Prettiest Village in England".

Prospectus III will shortly be available with membership categories commencing at £1,645 up to £17,000 for family membership.

If membership of what is expected to be one of the finest and most prestigious clubs in the county and a relaxed unhurried quality to your golf is an idea that appeals to you, please contact David Cudmore for further information.



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Put your best foot forward

In 1851 there were 36,000 shoe makers in London. Andrew Lawson's book, *Handmade in London*, tells me. Today, I would bet my shirt the numbers were well under 100. Price and the proliferation of good quality factory-made shoes has put most out of business.

However, my mail, filled with the cries and whimpers of those with strange-shaped feet, with bunions and other problems, would seem to indicate that there is still a need for a hand-crafted bespoke shoe - if only it could be had at an affordable price. With that most eminent cobbler, John Lobb, charging

from £395 (plus VAT) for a first pair of shoes and a usual waiting list of between three to four months, a pair of bespoke shoes has become a luxury beyond the reach of all but the few.

Top of the James Taylor range is, of course, the made-to-measure shoe, not cheap at £655 plus VAT, but it is £400 less than Lobb's. Made on the premises by craftsmen who use individual lasts and fine leathers from goats, calves, kids, lizards and sheep, they can, within reason, make almost any style but, of course, like any fine cobbler specialise in classic brogues, Derby's and all the rest. Delivery is usually about two months.

There is an intermediate service where measurements are taken and sent to a factory (John Locke) specialising in traditional fine footwear where they are made on a standard last that accommodates the measurements as nearly as possible. This is not, obviously, the same as having an individual last made to fit just your feet but they find that on the whole most feet can be happily accommodated.

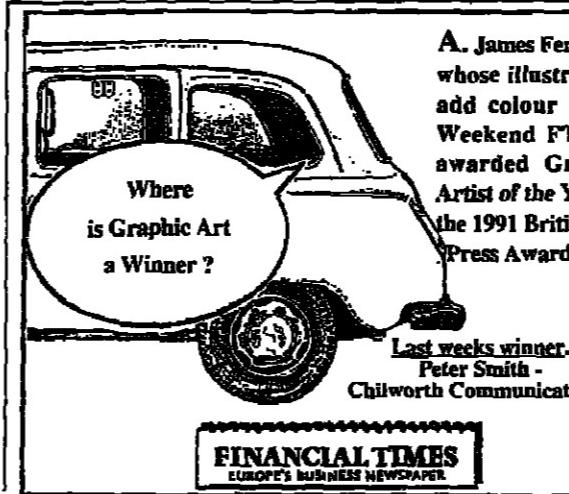
Delivery of these takes about



from £350 (inc VAT) for women, and from £380 (inc VAT) for men. There are lots of useful ancillary services as well. Besides a range of ready-made shoes (Crockett & Jones classic men's styles, Finn Comfort walking shoes, Status Shoes to give more height), James Taylor will alter or adapt existing shoes,

whether their own make or not, and will repair and hand-sew soles or polish shoes. It will make to measure foot supports for long arches and metatarsals, raise heels to balance unequal legs and in general do anything to make your walking life more comfortable.

LvdP



A. James Ferguson, whose illustrations add colour to the Weekend FT, was awarded Graphic Artist of the Year in the 1991 British Press Awards.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Cartier



Cartier, 175/176 New Bond Street, London W1, Tel: 071-493 6962, 188 Sloane Street, London SW1, Tel: 071-235 9023. The Fine Jewellery Room and The International Room of Luxury at Harrods, Tel: 071-730 1234. Harvey Nichols, Tel: 071-235 2629.

Also from Watches of Switzerland, Mappin & Webb, selected branches of Goldsmiths, Walker & Hall, Leslie Davis, Ernest Jones, and leading jewellers throughout the country. For information on your nearest stockist please call 071-408 5775.

BOOKS

London through a compassionate eye

Anthony Curtis reviews Doris Lessing

AROUND 1985 Doris Lessing – to the relief of the vast majority of her admirers – returned from earth from outer space and gave us a major novel, *The Good Terrorist*, short-listed for the Booker Prize. That like her latest book of stories and sketches, was an aspect of London observed; a London still too much with us, the London of the homeless. Lessing took the lid off a communal squat in which the clash of emotional, sexual and political aspirations among the temporary family formed by its inhabitants was put under fascinating scrutiny.

Lessing has indeed been observing the seamy, and the affluent, sides of London for much of her career. Way back in 1960 Lessing set out in a work of non-fiction, *In Pursuit of the English*, where she gave a deeply honest account of her induction into the London of the working-class when she arrived here from Southern Rhodesia, now Zimbabwe. Lessing was then a young woman of 25 for whom England had brought her childhood been "a grail".

There have been frequent interruptions for such things as the study of Sufism, and travelling in order to sample life in troubled parts of the world, Pakistan and Afghanistan – see *The Wind Blows Our Words Away* (a Picador Original, 1987) – and of course into the stratosphere in her multi-volume *Canopus in Argos: Archives Series*. But ever since that arrival more than 30 years ago, Lessing has been living in – and that means bringing her wise compassionate gaze to bear on – London.

THE FACTS are well established. Early morning March 16 1968 a company of US infantrymen, led by Captain Ernest Medina and Lieutenant William ("Rusty") Calley, arrived at the hamlet of My Lai in Son My village, Quang Ngai province, in the northern part of South Vietnam. They were preceded by an artillery barrage. Detailed to flush out a communist unit military intelligence had falsely imagined to be in the area, the American warriors were disappointed not to encounter a single enemy cadre.

But their bloodlust, primed by three months' fighting in one of the most treacherous battle zones of the war, was not to be gainsaid. With impeccable bestiality, and without one shot being fired against them, the members of "Charlie" company spent the next few hours laying waste everything in their path. Some four to five hundred babies, children, women and old men – civilians all – were ritually slaughtered. Multiple rape, sodomy, mutilation and torture were integral hallmarks of the atrocity.

There were two sets of victims: those killed, and those who perpetrated the killings, the "boys next door" turned murderers. The real culprit was the very nature of the conflict. "Vietnam" was what the North's commander, General Vo Nguyen Giap, has said it was: a people's war. Fanatically, in their efforts to expel the

ion, serious points are made. structures shaped out of the steady march of mundane events. She does it again stuck in her car in a traffic jam on Hampstead Heath near Kenwood – she doesn't always go by public transport, it would seem – where neither of the two offending vehicles was prepared on principle to reverse, thereby causing a long tailback and tedious delay for other motorists frustratedly sounding their horns.

And she does it often again in a whole range of local London settings where a miscellaneous collection of people is brought together – the waiting-area of the Casualty Department of a hospital; or various cafes in Hampstead or Regent's Park where Lessing likes to spend time, sipping tea while eaves-dropping on the other customers. A particularly good story of this sort deals with the tension apparent between a couple enjoying some refreshment in the park; they are observed in terms of their reactions to the sparrows who land on their table pecking at crumbs. Again, nearby in Queen Mary's Rose Garden, Lessing observes a young woman furiously taking cuttings, and it leads the writer to speculate on the woman's relations with her mother.

Every writer about London produces a completely different version of it. In modern times the Londons of Orwell and Virginia Woolf are perhaps the two extremes. Lessing's London spans both: she is at home with the former's underworld as she follows a social worker into a tower block where he attempts unsuccessfully to per-

LONDON OBSERVED
by Doris Lessing
HarperCollins £14.99, 214 pages

had a seat for the whole journey.

The other passengers are codified collectively and then each is described individually: "In my half of the carriage are three white people and the rest are black and brown and yellowish. Or, by another division, five females and six males. Or, four young people and seven middle-aged or elderly. Two Japanese girls, as glossy and self-sufficient as young cats, sit smiling. Surely the mourners for old London would applaud the Japanese who are never, ever, scruffy or careless?"

This persona of the sharp-eyed observer, who appears merely to describe the external scene as well as she can, is one that suits Lessing's temperament as a fiction-writer and which she uses with great assurance. Unobtrusively, in this ruminating fash-



sue a Pakistani woman to send her daughter to a special school for autistic children; or when Lessing catches sight of a young mother begging outside a supermarket, penniless because of a strike by the staff of the DHBSS.

Yet Lessing's range is such that she is no stranger to the world of Mrs Dalloway. From time to time she takes us into drawing-rooms within earshot of the sound of Big Ben and the division bells. "Her" gives

a brilliant impression of a political salon in Westminster during the Thatcher era; while "Two Old Women and a Young One" chronicles a publishing lunch in a chinatown restaurant. One longer story with which this book ends takes us out of London altogether to a pleasant weekend country house where the former and present wife of a successful man are assembled under the same roof.

Taken as a whole the stories

Behind the Pine Ridge shoot out

IF YOU think Rodney King got a bum deal, spare a thought for Leonard Peltier. Since 1977, the American Indian activist has been serving a double life sentence for the murder of two FBI agents after having been convicted on the flimsiest of evidence.

Unfortunately for Peltier, there was nobody with a camcorder on the scene to show what really happened. On the other hand, he does have Peter Matthiessen, the distinguished writer and traveller, whose in the *Spirit of Crazy Horse*, now released after nine years of legal wrangling, comprehensively proves that Peltier is the victim of a perversion of justice every bit as cynical as the one that caused the recent rioting in Los Angeles.

Peltier is a member of the American Indian Movement (AIM), a radical civil rights organisation set up the 1960s

IN THE SPIRIT OF CRAZY HORSE
by Peter Matthiessen
Harvill £29.99, 646 pages

to agitate on behalf of North America's beleaguered native people. After a series of heated confrontations with white authority, most notably occupations of Alcatraz Prison and Wounded Knee, site of the 1890 massacre of innocent Sioux by the US Cavalry, AIM were targeted by the FBI as a subversive organisation on a par with the Black Panthers and the Weather Underground.

AIM's activity soon came to be centred on the sprawling Pine Ridge Reservation in South Dakota, home of the Sioux descendants of Crazy Horse, where violence, fuelled by government-sponsored gun squads, had become endemic. The inevitable shoot-out took place in June 1976, leaving two Federal agents and one Indian dead.

Although 30 AIM warriors

were on the scene when the

shooting occurred, only four

were charged, and just one,

Peltier, was convicted. Even

before the prison door rang

shut, however, gaping holes in

the Government's case

began to appear. Ballistics

reports had been doctored and

defended, prosecution witnesses

coached and intimidated –

the government never even

established that Peltier was

on the scene, much less that

he was the triggerman. As

Matthiessen patiently

establishes, it was prejudice

and a thirst for revenge, rather

than reason and prudence, that

put Peltier behind bars.

But Matthiessen does more

than simply unravel the

government's prosecution. He

also establishes how the US

government, through a policy

that vacillated between neglect

and hostility, created the

murderous atmosphere at Pine Ridge, an atmosphere in which the seemingly cold-blooded execution of two law enforcement officers could be seen as an act of self-defence.

The author then shows how the two agents may very well have caused their own death by bursting into an Indian camp in a botched attempt to draw fire, whereupon they could call in the cavalry to finish off AIM. But Matthiessen lays ultimate blame for the whole affair at the feet of the military and industrial interests who saw AIM, preventing them from grabbing the rich uranium deposits beneath the Black Hills badlands where the Sioux had been exiled a century earlier.

Not surprisingly, Matthiessen's impassioned yet cogent book brought down the ire of the authorities when first released in 1983, inspiring some \$600 worth of libel suits which caused it to be withdrawn from circulation for nearly a decade while the author and his publishers defended themselves in court.

Thankfully, Matthiessen kept on the case during the years, coming up with an epilogue that provides what is perhaps the book's most sensational bit of reportage – an interview in 1990 with a hooded, anonymous AIM warrior who admits that it was he, not Peltier, who gunned down the two agents at close range.

One of the book's most gratifying elements is the manner by which Matthiessen balances his outrage at the treatment of Peltier and his people with the cold, cool-time of the investigative reporter. He lets everyone have their say, be they drunken goons or dedicated wizards, gun-ho FBI agents or wizened Sioux medicine men. In the end, you are left with the feeling that everybody involved with the shootings at Pine Ridge was a victim of a government engaged in strip-mining not just the land but an entire people's culture.

Upon finishing this book, one finds it impossible to believe that Peltier can still be in prison. Perhaps the coming Oliver Stone film based on the book will finally set the man free. And lest British readers feel too smugly critical about the American judicial system as it lies exposed here, they should bear in mind the fact that eight US courts defended Matthiessen's constitutional right to express the opinion that various officials, from the Governor of South Dakota right down to FBI field agents, behaved like hars, thugs and conspirators. In the British courts, he would have been paying out money to the men who railroaded Peltier until long after the prisoner had finished his term.

Stephen Amidon

No justice in the jungle

foreign invaders, the communist forces went amongst the rural population of the South "like fish swimming in water".

In some cases that population was sympathetic to Hanoi, in others not. For the US army however this provided intractable difficulties either way. The fish and the water were interdependent, and there was no reliable means of identifying and isolating the enemy. Any hamlet might or might not be a communist stronghold.

Add in the gnawing terrors of jungle warfare, the increasing deficiencies of American battalions in terms of training, acclimatisation, leadership and discipline, the widespread availability of drugs, the sheer sense of displacement, and My Lai-type episodes were inevitable. That at least is the drift of *Four Hours In My Lai*, by Michael Bilton (a British television documentary maker) and Kevin Sim (a British journalist).

Of the many accounts of My Lai, this may rightly be regarded as the fullest and, for that matter, the most compellingly readable. The grim necessities, both of the massacre itself, and of Charlie Company's war up until My Lai, are accumulated tellingly. Twenty-four years on, in as far as that sort

of thing ever can live on the printed page, the horror is revived.

But what makes and breaks this account is the authors' handling of My Lai's aftermath: of both the cover-up within the Quang Ngai-based "American" Division, that kept the episode under wraps for a year, and of the subsequent "trials". Unlike other similar atrocities, of which there were many, My Lai stuck to become a front page news story for two reasons: the

FOUR HOURS IN MY LAI: A WAR CRIME AND ITS AFTERMATH
by Michael Bilton and Kevin Sim
Viking £17.99, 430 pages

persistence of Ronald Ridenhour and Seymour Hersh in exposing it, and the availability of colour photographs taken with his personal cameras during My Lai by army photographer Ronald Haebler. Once these latter had appeared, first in the *Cleveland Plain Dealer*, then in *Life* magazine, a media avalanche was guaranteed.

Bilton and Sim have slogged through the vast reams of paper produced by two overlapping US Army

investigations, as well as transcripts of the actual hearings. The result is an awesome picture of perverted justice. Resisting all calls for an international or even independent tribunal, and responding to pressure from Richard Nixon's administration and that part of America's press that was rightwing and racist, the Army clung to its decision to make My Lai an internal affair.

A virtual whitewash ensued. While the investigations incriminated, on overwhelming evidence, 30 participants in the massacre itself, and 28 officers in the cover-up, only one man, the hapless Calley, was brought properly to book in the resultant courts-martial. Once Medina and his superior officer, Colonel Oran Henderson, had been acquitted, the phoney legal process ground to a halt.

In a sickening cameo we are told how a cake "complete with candles" was introduced into the court-room to help Medina celebrate his 35th birthday. "At the risk of poor taste," quipped the judge, "we wish you a happy birthday." As the American establishment successfully maneuvered to defend its chosen sons, My Lai collapsed into an unholly farce.

Yet it must be said that in dwelling

upon the court scenes at Fort Benning the authors have sold a pass.

Like nearly every other book about Vietnam published in the West, *Four Hours In My Lai* focuses on America, and the damage done to American self-esteem. The other half of the equation is marginalised. Although Bilton and Sim dutifully record the eye-witness accounts of a handful of survivors of My Lai, the engulfs sorrow that still pervades Quang Ngai as a result of eight years' occupation by the US and South Korean forces is here unsung. Instead the reader is swamped by any amount of often trivial biographical detail pertaining to the lives of nearly every American involved.

More seriously, in attempting to provide the massacre with background context, the authors ignore what was the central feature of the South Vietnamese state: that the mainly Buddhist masses were ruled by a venal, largely Catholic oligarchy.

It was the latter that the US strove to protect and prolong. My Lai happened not just because, as Bilton and Sim suggest, there was a dichotomy between notional principles and actual behaviour under dress within the American army, but also because of a fundamental disjunction between the rhetoric and the objectives of Washington's policy-makers.

Justin Wintle

Crime

Detective friendly

WHAT SHOULD a Detective Chief Inspector be like, ideally? More often than not he is in early middle age, tall, reasonably handsome, long-suffering, considerate of his lower-ranking colleagues, and patient with superiors, even when they are obnoxiously demanding and snobbish (a frequent sin among Chief Constables). He is brilliant at dismantling the false images of the Age. He is less good at describing alternatives, save for something smacking too much of hippy idealism. Perhaps we need an updated study of the human virtues. More digging around in the works of those medieval philosophers might help.

Mark Archer

understated – or pleasant – where R.D. Wingfield's *Di Jack Frost* is concerned. As in all the Wingfield books, *Night Frost* (Constable, £12.99, 312 pages) is awash with blood and guts. The solution follows a now predictable pattern: initial bewilderment, apparent discovery of the culprit, frustration when the discovery proves erroneous, then final triumph. Frost's running battle with his Divisional Commissioner provides ample comic relief, when the repetitious murders threaten to pull him down; when to pounce, Real policemen always claim not to read crime fiction: they would do well to read this one, not least because, like all of Simpson's work, it is admirable for its clean writing, shrewd portraits and tight plot.

Charlie Salter, Toronto's less colourful but equally human and beleaguered answer to Inspector Ghote, sometimes has rather more private life than he can comfortably handle. In the newest story, *A Fine Italian Hand* (Collins, £12.99, 130 pages), his wife Annie is off visiting her parents and the two Salter boys are not much in evidence, so Charlie has more time to deal with what seems to be a Mafia killing in the raffish theatre world. He also has an innocuous encounter with a longago girlfriend.

A pleasant adventure, though without the excitement of some of the earlier Salter tales.

Sometimes understatement can be carried too far. Nothing

is quite as it seems in *Off Minor* (Viking, £14.99, 360 pp.), bears some resemblance to Frost, but is a more rounded, complete character, still involved, however reluctantly, with his divorced, sick wife. He suffers through his cases, too, and we learn his character as he deals with them. *Off Minor* (the title is connected with Resnick's authoritative understanding of classic jazz) shows Resnick at his best: sensitive, shrewd, independent. He is a genuine creation. We read Harvey's books not just to find out who killed whom, but to renew our acquaintance – our friendship – with the unique Resnick.

William Weaver

Design for living

IN THE MIRROR OF THE PAST: LECTURES AND ADDRESSES 1978-1990
by Ivan Illich
Marion Boyars £16.95, 251 pages

the mirror of the past has been splintered into a confusion of competing disciplines, governed by "experts" who can formulate systems but who have forgotten how to live.

But what would Illich's perfect world be like? Self-sufficiency is the key progressive industrialisation, he argues, can only be achieved if the individual, as well as society, is best that people keep for themselves only as much as is sufficient for their immediate needs", he says in an inaugural speech at the Ashram founded around Gandhi's hut. In transport planning the motor car should come second to the bicycle. We should dispense with architects and build our own houses. Architects can design machines for living but have forgotten what it is to dwell.

Economics draws forth

the best value book-buy I made last year, was one of the *Découvertes* series on French encounters with 19th century Japanese culture. Each book includes short bibliographies and an "archive" selection of documents – although its French origins can make for selections which strike a British reader as peculiar.

The design of these books is masterly. They are printed on high-gloss paper and are crammed with a wealth of remarkably good colour photographs. Often there is a run of

ARTS

Jewels in the St Petersburg crown

IF YOU were a Russian Archimite, or the wife of an American magnate, and wanted a trinket to celebrate the New Year, 1890, you had a wide choice of international jewellers to call on.

You might visit Boucheron or Chaumet, Fabergé or Cartier. All these names still exist in some form but only one, Cartier, has managed to maintain, and build on, its historical pedigree. On Wednesday it unveiled an exhibition to tingle the nerves of reactionaries everywhere — a display in the Hermitage in St Petersburg of 200 examples of its artistry, including jewels commissioned by 19th century Russian aristocrats.

As a timely reminder of the Russian rush into the past, the body of Vladimir, the Romanov claimant to the Czar's throne who died recently in the US, awaits interment in the city. He cannot join his forefathers in

Cartier has jumped on the historical bandwagon, says Antony Thorncroft

the vaults of the cathedral of St Peter and St Paul until the authorities drill a hole through the concrete that the Soviets laid down in certain expectation of no more Romanov burials.

There might be a feeling that the people of St Petersburg currently want more down to earth imports from the West — food perhaps or drugs — rather than exquisitely crafted moustache trimmers or the Duchess of Windsor's panther brooch, but such a view insults their pride. Shortages are seen as a passing phase as Russia returns to its creative past in which jewels played a major part. Having dispensed with 20th century heroes if they are putting their trust in Fabergé, or rather on his reputation, to restore prosperity to their city. Already jewellery craftsmen are setting up to revive the links.

If there was some feeling that a Fabergé show, planned for later this year, had been elbowed out of the Hermitage by the Cartier display, there was always a close friendship, amounting to rivalry, between the two firms. Cartier was bowled over by Fabergé designs in 1900 and copied his work on enamels, perfecting strident colours as against Fabergé's more muted originals. It is thought that some of Cartier's pre-1914 jewels incorporated work made by Fabergé craftsmen.

Today Fabergé's name is

mostly associated with fragrances while Cartier had managed to maintain, and to build on, its reputation. The exhibition in St Petersburg is a brilliant, if expensive, promotional coup. If all goes well Cartier might be selling to rich Russians around 2010, but having the seal of approval of the Hermitage, the Palace built by Catherine the Great to house one of the world's finest art collections, lifts Cartier's brand name from a supplier of baubles to the creator of museum quality artifacts.

It follows on a similar show, including many of the same jewels, in Paris in 1989. The bandwagon moves on to Japan next year. Cartier's eyes are fixed on the Metropolitan Museum in New York. If it can get in there the cynical marketing message will have well and truly got home — buy a Cartier jewel and you are acquiring the patina of the past, a name approved by museum curators, rather than a cleverly assembled gathering of depreciating gem stones.

Cartier has managed this because, in the early 1970s, it decided to establish an archive of its past work and designs. Through selective buying it has assembled around a thousand items, insured for \$34m. Some of its purchases were bargains — like the Duchess of Windsor bracelet, passed over at the Sotheby's auction when prices were inflated, but acquired later, when they had fallen sharply. Some were not — like the \$2.5m it paid for the Daisy Fellowes jewels.

The Hermitage exhibition, which lasts until June 21, covers the great period of Cartier, from the 1860s to the 1930s. In the earlier decades Russians were among the firm's best customers. They have a great love of gems, derived from their own mines and from trading with the East, and they took the finest stones to Cartier in Paris to be converted into jewels. Unfortunately few pieces made for Russian clients are on display. So many have been lost, the jewels broken off and sold since the Revolution.

The Cartier family left it late to visit Russia, 1904, by which time Fabergé dominated the scene; so there are few objects with a definite Russian feel. The influence of Fabergé on Cartier's output is marked, although the two firms avoided a head-on clash: Fabergé specialised in animal designs while Cartier stuck with flowers.

Cartier will not do copies of its museum pieces — they would never look quite right. Nor does it use many ideas from the archive. But the Cartier exhibition, although it may be a clever marketing exercise, also presents a more than decent show.

IT MAY prove a handicap to Radio 4's new eight-part Thursday-morning documentary *The Hospital* that its characters are real people — David Loughton the actual Chief Executive, a real Sister, Maggie Kitchen, real Dr Juan Valle, even a real patient Clara Johnson. Life in hospitals has become almost as popular in our entertainment as football, but *The Hospital* cannot attract audiences to Mr Loughton, Sister Kitchen and so on, like people in *The Archers* (though 85-year-old Mrs Johnson did have a fit on her way her X-ray).

The Hospital, an in-depth study of Walsgrave Hospital in Coventry, is strictly realistic. Some staff even wear tiny tape-recorders to record the daily talk. The Chief Executive explained why the hospital has opted out: later we heard some opposition shouting in a debate. Sister Kitchen was the unhappy individual to sort out the shortage of beds.

The first programmes chiefly introduced some of the staff, but if Nurse A loves Doctor B,

Radio Hospital talk

we shall not know; such things are not for this series. Work was only lightly dealt with. The patients are less sympathetic than the staff, who seem optimistically caring, even when they must deal with people like the businessman who said that he always felt out of breath when under stress, even if he weren't really. I was on the side of the young women who read out some of the standards they were expected to maintain. "I wish we could do all this," one of them said.

Nothing about the broadcasting system, if they have one. By ten o'clock last Sunday evening, the patients should all have been asleep, so they would have missed the unexpectedly fascinating *Radio 2 Arts Programme*, celebrating the 150th anniversary of Arthur Sullivan, the one associated with W.S. Gilbert. Naturally it included some choice G&S bits; but it also gave parts at least of the *In Memoriam*

overture, the *Tempest* suite, the cello concerto, *Pineapple Poll*, *Spells*, a piano transcription of the wedding march for the Prince of Wales (later King Edward VII), and, of course (this was Radio 2) *The Lost Chord*.

The cello concerto and the *Tempest* music (more completely) were also in Radio 2's morning *Composer of the Week*. There we had bits of *Cox and Box*, *Trial by Jury*, *Pineapple Poll* and *Hudibras* too — and some of those bits are first-class music. I am specially glad, though, not to have missed Radio 2's actual Sullivan reminiscences.

If Sullivan is a great classical composer, why not Alan Ayckbourn as a great English playwright? In 1956 I heard his *Mr Whatnot*, where half the dialogue is in mime: "They'll all write it off," said that clever critic Philip Hope-Wallace, "but there's something there." On Sunday Radio 3 gave us

B.A. Young

Drawn from the age of Lorenzo the Magnificent

Susan Moore visits the inaugural show in the Uffizi's new galleries

FLORENCE CELEBRATES ITS PAST

Florence Drawing in the Age of Lorenzo, Gabinetto Disegni e Stampe degli Uffizi, until July 8

Architecture in the Age of Lorenzo in Florence and Tuscany, Speciale degli Innocenti, until July 28

Feasts and Shows in Florence in the Age of Lorenzo, Palazzo Medici Riccardi, until August 30

Books and Documents in the Age of Lorenzo, Biblioteca Mediceo Laurenziana, until June 30

The Critical Fortunes of Lorenzo, Biblioteca Nazionale, Until July 30

Political Factions and Institutional Changes in the Age of Lorenzo, Archivo di Stato, until July 30

The Garden of San Marco, Casa Buonarroti, June 30-October 19

Church and City in Florence in the 15th Century, Cripta di San Lorenzo, June 6-September 6

Painting Workshops in Florence in the Age of Lorenzo, Palazzo Strozzi, October 16-January 10, 1993

Restoration of Verrocchio's "Doubting Thomas", Orsanmichele, October 1-January 10, 1993

Craftsmanship and Artistic Production in Florence, 1400-1500, Accademia delle Arti del Disegno, November 14-January 15

Giuliano and the Workshop of the da Malavas, S. Alessandro e Palazzina Mangani, December 5-April 25, 1993

The restored Capella dei Magi in Palazzo Medici Riccardi with frescoes by Benozzo Gozzoli may be visited at weekends by appointment



One of Leonardo's drawings in the Uffizi

out of the head of Zeus. These sheets are attempts not only to explore the material universe but to place man convincingly within it. Hence the desire to observe the interaction of figures, telling gestures and emotions, drapery that clarifies rather than masks human form, and landscapes drawn from the Tuscan countryside that brought the sacred mysteries close to the heart of Lorenzo, what could be a more appropriate first exhibit than Benozzo Gozzoli's exquisite metalpoint on blue prepared paper after one of the ancient statues of horse-tamers on the Quirinal?

An eloquent witness to the impact of the classical world on the perception of the modern is Botticelli's drawing of a youth posed to echo the famous "Spinario" or pickthorn. This silverpoint is among the realms of nude and draped figure studies here executed at the dawn of the practice of life drawing. They represent the first attempts to reproduce accurately the appearance of man and the natural world. What is so extraordinary is that there is so little grappling towards formulating a means of expression. Drawing in Florence seems almost to have been born fully armed for its challenges — like Pallas Athene

unlikely fruit. If we turn from the drawing to the artist's double portrait in the Louvre, we find the same old man — miraculously alive, and with even more warts — being contemplated by his grandson with the adoration the young accord only to the very old.

To Florentine theorists, "disegno" (design as much as drawing) was an instrument of the intellect and imagination. Its techniques and media evolved to meet new artistic

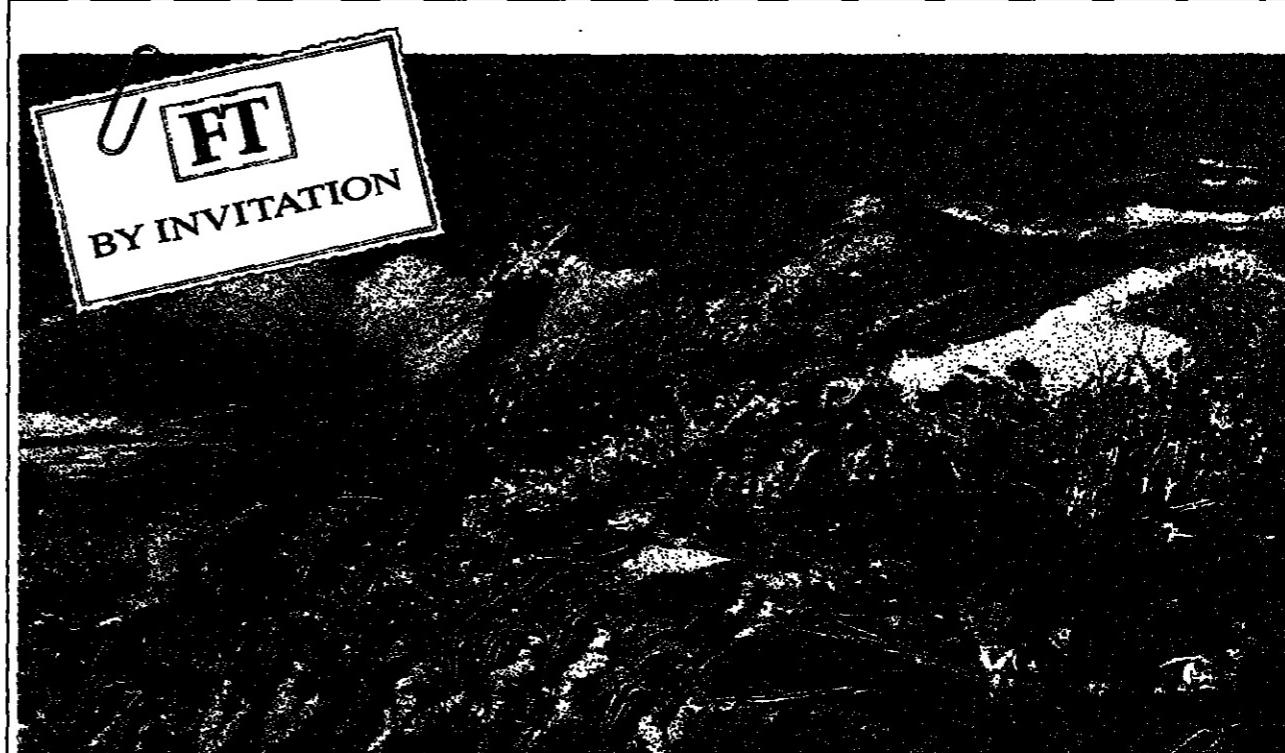
challenges. We find Pollaiolo, for instance, embracing the obliquely quick and fluent medium of pen and ink to commit to paper his notion of an unusually vigorous and energetic Hercules wielding a blazing club to kill the Hydra. Filippo Lippi refuses to be constrained by the precision of silverpoint, using it with astonishing brio for his sketch of the litter-bearers for his fresco of John the Baptist raising Drusiana from the dead. Black

chalk was found to possess infinitely subtle tonal range, the ideal medium for portrait heads. Red chalk, however, was an even greater pleasure yet to come.

The show allows room for no less than 20 sheets by the fifth-rate goldsmith and *nichel* artist Maso Finiguerra, execrable

only as an indication of the rarity of drawings surviving from the 15th century. Undoubtedly, it devotes its last

two rooms to Sandro Botticelli and his contribution to Laurentian culture. Here are some of his remarkable illustrations to Dante's *The Divine Comedy*, as well as figure studies, tempera cartoons and panels. In the "Adoration of the Magi" executed for Santa Maria Novella, we find the young Lorenzo along with the elder Medici paying homage to the Christ Child. What more perfect subject for bankers whose power rivalled that of kings.



The Crimea Revisited A voyage of discovery in the Black Sea

20th September to 1st October 1992

You are invited to explore the historical sites around the Black Sea, in the company of the Financial Times, aboard the cruise ship the MS Caledonian Star. This trip had been made possible by the dramatic political changes in the region, and only now are westerners able to visit such places as Sevastopol, and the battlefields of the Crimea.

But while our tour will range historically from Troy to Yalta, and take in Gallipoli on the way, this is not just an opportunity for the military historian. We shall join the MS Caledonian Star in Istanbul, and the passage includes visits to the Danube Delta, a haven for birdlife, Odessa with its French flavour, Sinop on the northern tip of Anatolia, and time will be set aside to sample the Massandra wines during our stay in Yalta.

The high standards of the Caledonian Star and her Scandinavian officers give us an excellent and comfortable base from which to enjoy the Financial Times tour. The guest lecturers will include Sir Julian Paget and other authorities, including an FT journalist, thus ensuring that what we offer is only available through this invitation. Please write now for further details.

DAY 1. London Heathrow to Istanbul and embark on the MS Caledonian Star.

DAY 2. Istanbul. A day of exploration. Sail early evening through the Sea of Marmara.

DAY 3. Çanakkale. Visit the ancient site of Troy.

DAY 4. 14 May. Sailing along the coast of Crete. Helles to Suvla Bay. We shall see the beaches where the Gallipoli landings took place in 1915.

DAY 5. Sultans - Danube Delta. Here is one of the most outstanding wildernesses left in Europe where we hope to see many species of waterbird and eastern European birds.

DAY 6. Sevastopol. See the Potemkin Steps and the Archeological Museum.

DAY 7. Sevastopol. Visit The Panorama for a valuable introduction to the Crimean War, followed by a city tour and visits to other museums.

DAY 8. Sevastopol. Full day excursion to the battlefields with picnic lunch. Firstly visiting Balaklava, the ruins at Inkerman and the Chernaya Battlefield. Sail during dinner to Yalta.

DAY 9. Yalta. Morning visit to the Livadia palace, followed by an early lunch and afternoon drive through wine country, finishing with a tasting of Massandra wine cellars.

DAY 10. At sea.

DAY 11. Sinop. Here, in northern Turkey, we shall walk around the old town visiting the ruins of the Citadel defence walls.

DAY 12. Istanbul. Those who wish to stay on in Istanbul may take advantage of a specially arranged 3 night stop at the Hilton Hotel. Twin £165. Single £275, including breakfast each morning.

PRICES

Prices range from £1,895 per person for an outside two-birth cabin with shower and wc, to £2,800 for a two-room suite. Singles from £2,350.

Price includes - British Airways London/Istanbul, 11 nights on the MS Caledonian Star, full board, excursions throughout including lunches astern where applicable, entrance fees, guide services, twin occupancy.

Tickets are non-refundable, cancellations supplied by readers in response to this invitation will be reduced by the Financial Times, which is registered under the Data Protection Act 1998.

Financial Times, Number One, Southwark Bridge, London, SE1 9HL.

Please send me full details of the FT invitation to the Black Sea.

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CLOCKS, WATCHES & JEWELLERY

Robotic production falls out of favour

John Goodall finds a growing market for mechanical time pieces

THOSE who appreciate fine time pieces have long preferred mechanical watches to their quartz counterparts. This year is likely to prove a turning point in the revival of interest in high-quality mechanical watches. For some years, mechanical horology has been undergoing a revival, but only recently have fresh advances in technology enabled Switzerland's master watchmakers to achieve what they would have previously considered impossible.

People who spend thousands of pounds on a gold watch like to own a product that has been assembled or finished by a craftsman whose skills have been handed down from father to son for many generations. Mechanical watches that emerge from a production line may be high in quality, but the type of watch most likely to appeal to a collector will have been assembled, checked and regulated by hand.

Although the finest mechanical watches are made using modern equipment to allow even greater precision and improve parts of the production process, mainly at the design stage, no machine can match the patience and skill of the engraver who decorates a movement or case, nor the craftsman who painstakingly pierces the dial and movement of a skeleton watch to make it almost transparent.

A growing number of collectors delight in acquiring these miniature marvels of engineering, whether modern or vintage.

To understand the watchmaker's achievements it is worthwhile considering what a marvel he produces. If the mainspring of a watch were left to itself it would uncoil in seconds, causing the wheels inside and the hands to spin at a tremendous rate. In order to control the rate at which this pent-up power is released, horologists invented the escapement, which releases the driving power of the spring a little at a time, causing the familiar ticking sound.

The work done by the escapement is extremely demanding. In an ordinary mechanical watch, the balance wheel swings 18,000 times an hour and the gear train moves forward 482,000 times in 24 hours. In six years, this represents almost one thousand million impulses.

If a mechanical watch varies by one minute a day, it has a precision of 99.93 per cent - a good example should be seven times more accurate, to within one minute a week. This is a remarkable achievement for a mechanical measuring device.

Watches and watch move-

styling of cases, bracelets and strap continues to evolve.

However, there is one important exception: the movement that uses a conventional quartz movement for accuracy and adds to it high-precision micro-mechanics to provide the additional information which a complicated watch has to display.

"Limited editions" became popular last year but too many Swiss watch companies jumped on the bandwagon, and supply outstripped demand. This year, the few limited editions being offered are of genuine interest, such as the limited edition reproduction of Carter's famous Crash watch, or an unusual elongated oval design known as the Baignoire Allongé. The unique clip-over Reverso 60th by Jaeger-LeCoultre of which only 500 were made, was sold out long ago. Now, however, the Reverso is enjoying renewed interest and a book about the history of this classic watch is on sale.

Vacheron Constantin has long been respected as one of Switzerland's finest producers. This year it has introduced a minute repeater watch which is an exact replica of one of the company's models from the 1880s. It is a masculine model in an 18 carat yellow gold or platinum case and owes its revival to advanced technology. The thin hand-wound

movement has a power reserve of 48 hours and strikes on demand the hours, quarters and minutes, using two gongs. Only 200 pieces of this limited edition are to be made.

Blancpain is one of the most

respected names in watchmaking and noted for its determination not to make a watch containing a quartz movement. Instead, it has concentrated its efforts on perfecting some classic models. This year, it has created the world's slimmest self-winding chronograph with a flyback hand, and added to it a perpetual calendar mechanism. It contains 383 parts but the movement is only 27mm in diameter and just 8.95mm thick.

Chopard, a family-owned company in Geneva, is unusual

in that it makes its own fine

watches but is also renowned

for its diamonds and gem-set

jewellery too. Its timepieces

include the Happy Diamonds

collection of diamond-en-

crusted jewellery watches,

with loose diamonds rolling

around the outer part of the

watch case.

Plaget - long associated

with jeweller watches - now

makes many fine pieces in

plain gold cases. This year, it is

paying a tribute to Georges

Piaget, the company's founder,

by reproducing the characteris-

tic which prevailed 50 years

ago in Georges Piaget Watch.

A round, classical watch, it is

being issued in a limited series

of 500. It has a hand-wound

mechanical movement 2mm

thick, first developed and pro-

duced in 1956 and which still

forms the basis of the entire

Plaget classic watch line. It is

manufactured entirely within the

Plaget workshops and re-

quires 870 separate

operations. The movement of

the numbered edition from 1 to

100 in platinum is elaborately

engraved by hand and is a super-

example of the engraver's art.

Ebel has produced the left

handed watch. Designed to be

worn on the right wrist by

left-handed people, the 1911 is a

special version of a popular

design. The left-handed version

has the date at nine o'clock

instead of three o'clock, so it is

not hidden by the sleeve, and

the winding button is dis-

played the next hour. One exam-

ple is being introduced this

year by Audemars Piguet, com-

bining a minute repeater

watch with a jumping hours

display. The watch shows the

hour through an aperture in

the dial and displays minutes

and seconds on hands in the

normal way. On demand the

repeater function strikes the

hours, quarters and minutes

using three different tones.

International Watch Com-

pany, one of the manufacturers

favoured by collectors, intro-

duced a grand complication

wristwatch two years ago, a

watch which has always been

considered the pinnacle of the

watchmaker's art in pocket

watch form. The much smaller

wristwatch version, is an even

greater achievement. IWC is

the only company to have suc-

ceeded in achieving regular

production. The grand compila-

tion is only available in plati-

num. When introduced, the

price was £35,000; now it is

£27,500. It is only possible to

make 50 each year and the

company now has orders on its

books for another seven years.

Cartier has recently opened

its own watch factories to

reduce its dependence on out-

side producers. The results

promise to be exciting, now

that design, development and

manufacturing both move-

ments and cases can be done

in-house.

One of the most exciting

examples is the important new

Tank B asculant - the

watch which has always been

considered the pinnacle of the

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In the past 12 months one

curiosity has grown in popular-

ity among Swiss manufactur-

ers: jumping hours. Such

watches have a conventional

hour and minute indicator

but the hours are shown in digi-

tal form in a window. The term

"jumping hours" is derived

from the practice of ensuring that

the hour indicator jumps to dis-

play the next hour. One exam-

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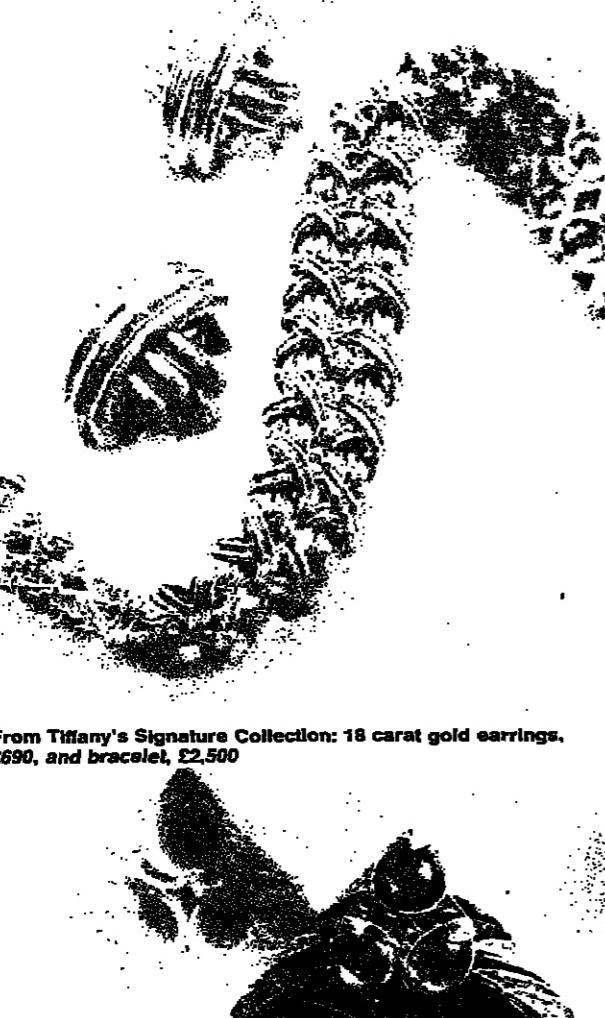
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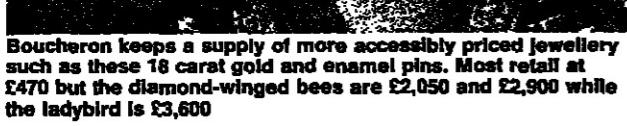
CLOCKS, WATCHES & JEWELLERY



From Tiffany's Signature Collection: 18 carat gold earrings, £290, and bracelet, £2,500.



New for Bulgari is the Naturalia collection, a more fluid, less architectural range. The brooch is in gold and brilliants with "tulips" in amethyst, pink tourmaline, citrine and "leaves" in green tourmaline and peridot. £10,800



Boucheron keeps a supply of more accessibly priced jewellery such as these 18 carat gold and enamel pins. Most retail at £470 but the diamond-winged bees are £2,050 and £2,800 while the ladybird is £3,600

ANITA LOOS, Zsa Zsa Gabor, Liz Taylor and that vast sisterhood of upfront Hollywood ladies had no doubts about the matter - when it comes to jewels what really matters is quite simple: are they real and are they big?

These sentiments may seem a little bold for Britain, in or out of recession, but there is no getting away from it that when it comes to rites of passage in a woman's life - her 21st, her engagement, wedding, first child and ensuing anniversaries - nothing but real will do. Some fake pearls? A bangle from a boutique down the road? A witty ring? Well-designed they may be, fun too - but appropriate? No, never.

So, although costume jewellery sales may go on booming, and may have a place in the daily lives of most of us, any man wishing to celebrate a big day in the life of his nearest and dearest would be wise to remember to make it real.

This is true no matter how far down the financial scale you look. When it comes to engagement rings, for instance, what every bride longs for, the jewellers tell us, is a ring with a real stone. Times may be hard, wallets thinner but no self-respecting first-time bride will want to waltz up the aisle with anything less sparkling on her finger.

Some 74 per cent of all first-time brides, we learn, go for diamonds at an average cost of £270 a time and, perhaps most surprising of all, in these modern, unisex days it is not all one way - 50 per cent of all grooms want a wedding ring and one in five of those will choose one with diamonds.

No matter how hard the times, the need for these "necessities" as they are known in the jewellery trade, goes on for ever. But while "necessities" may be their bread and butter, any jeweller who hopes to survive into the 1990s knows well enough that changing times require changing attitudes.

As the number of coronations, grand balls and royal marriages dwindles, so more new-money and growing professional classes have emerged to keep the accountants happy. All these changes are faithfully reflected in the wares the big

jewellers offer. Matching sets of tiaras, necklaces and earings ablaze with precious stones are thinner on the ground. Gold bracelets and chic little brooches that could sit happily on a working suit, cuff-links for a smart French cuff, are brought well to the foreground.

Rosamund Monckton, managing director of Tiffany, 25 Old Bond Street, London, W1, saw the way the wind was blowing: "I personally go through the sales slips every day to see what is moving." She made sure that she was plentifully supplied with affordable middle-range jewellery. (Affordable, of course, is a moveable feast, but we are talking Bond Street here and affordable could be anything from £400 to £10,000.)

Tiffany, of course, has always had the work of people like Elsa Peretti and Paloma Picasso, known more for the panache and impact of their

'Far more people can afford a pair of diamond earrings now'

designs than the high price tags of the materials. This may not be the stuff that brings the Maharajas and the Saudi Princesses running but, more to the point in these egalitarian days, it is just the thing that many a successful professional woman might buy to celebrate a promotion and that a salaried professional man could afford to treat his wife to.

But even at jewellers known more specifically for their *haute joaillerie*, such as Boucheron, 180 New Bond Street, London, W1, the view is that all this talk of gloom and doom has been overdone. Certainly 1991 was not a good year but, as Daniel Raveyron of Boucheron says: "If you take a long-term view much more business is being done today than 15 years ago. 1991 may have been down when compared with 1990 and more particularly with the late 1980s but compared with 1975 it is still incomparably up."

"Society these days is infinitely richer, far more people can afford a pair of diamond earrings or a gold bangle than 20 years ago. Go to the first room in the British Museum and what do you find? - weapons and jewellery. Adornment of the person is an ancient tradition. The desire for jewellery is old and deep and it will take more than a recession for people to stop buying."

The key, though, for Boucheron too, has been to provide plenty of choice in the "affordable" range. For instance, Boucheron's puzzle jewellery - for women rings and bracelets start at £620 for a ring, £1,600 for a bracelet, and for cuff-links for a smart French cuff, are brought well to the foreground.

At Asprey, too, the word is that everything that is small and reasonable, whether it be a little pearly delight or a small diamond number is still selling well - provided it is somewhere in the magic band of £1,000-£4,000.

They look back with wonder at the heady days of the late 1980s when several times a year they could sell £500,000 "suites", when men would buy each other hugely expensive watches to celebrate a deal, when everybody was high on profits and bonuses and price seemed no barrier. These days they make sure that there are gold earings, cuff-links or silver bracelets at no more than £500 a time and these seem to keep the tills ringing and the volumes up.

And as for watches - the days when a watch was purely functional are long gone. When a woman needs a pick-me-up, or what a friend calls some "retail therapy" she may buy herself a lipstick or a designer jacket. When a chap needs to cheer himself up or a reward for a job well done, a watch is what he goes for. And not just any old watch - expensive, designer-labelled, big-status stuff. Just as no woman ever had too many designer jackets, so it seems, the male about town cannot have too many watches.

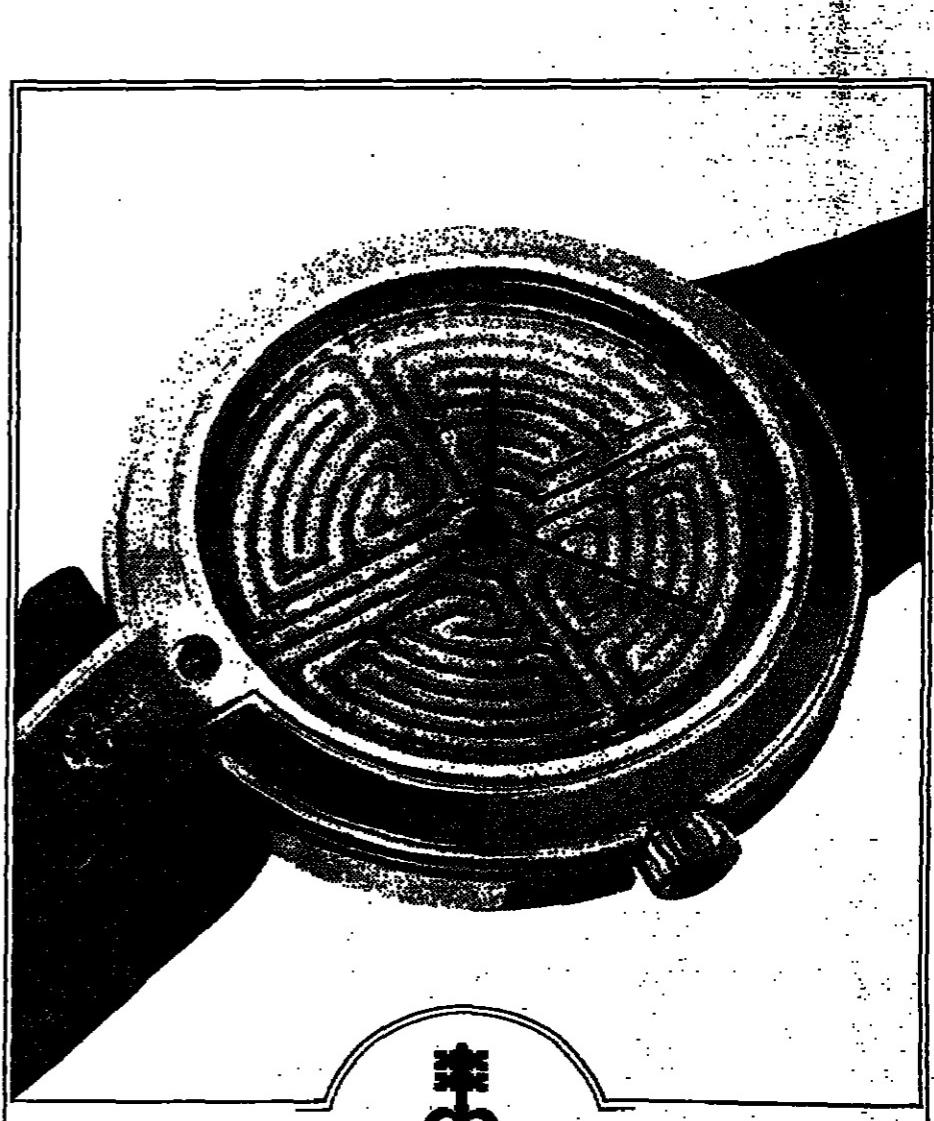
Hennell, of Bond Street, London, W1, reports that the value of every sale is down but by dint of producing a new collection of "affordable" jewellery - in its case this means the Westminster and Fleur de Lys ring collection and some 18 carat gold jewellery at around a £3,000 a time - volume is still holding up well.

But, needless to say, the desire for a little decorative *quelque chose* is not confined exclusively to the rich. When a few years ago the *Daily Mirror* asked its readers what they most wanted to find in their stockings on Christmas morning, it found that most women



Top: Roger Doyle hoped for a pair of diamond ear-studs.

Above: Roger Doyle specialises in combining semi-precious stones like tourmalines and tanzanites with enamel work to create an effect both rich and original. Typical of his work is the necklace photographed above which also has diamonds on every loop and is therefore not cheap - however Roger Doyle has smaller pieces such as brooches and rings in the £3,000 and £4,000 range at his workshop at 20 Maddox Street, London W1 9 PG. He works mainly to commission. Right: From Asprey, 165-168 New Bond Street, London W1 and 51 Fenchurch Street, London EC3M 6BB, part of the "affordable" collection - 18 carat gold bangles from £990. Earrings start at £595.



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Furthermore, through the use of sophisticated digital audio compression techniques, the actual call of the Adhan is captured in solid state microelectronics and faithfully reproduced for each prayer call. Other features include time indication in both analogue and digital formats, a direction indicator to Mecca from wherever the Clock is located, a hourly chime, general purpose sensible alarm, dates in both AD and AH formats, and the report of a cannon shot which is sounded automatically during the month of Ramadan to signal the start and end of the fast period. And all of this without a single moving part!

Truly the Islamic Adhan Clock is a scientific wonder and a religious necessity, and the designers at Frazer-Nash have ensured that it is also a beautiful ornament, worthy of a prominent position in any home.



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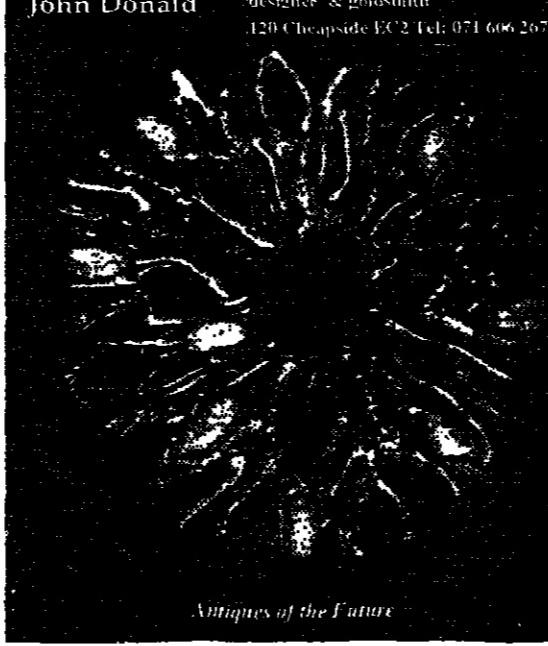
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SUMMER FESTIVALS

Culture over the continents

The FT critics offer their advice on where to go and what to see

AIX-EN-PROVENCE

July 13 - 31
Ancien Palais de l'Archevêche,
13100 Aix-en-Provence,
France. Tel (16) 4217 3434.
Only three full opera productions this year; new stagings of *Don Giovanni* (with Andras Schmidt) and *The Rake's Progress* (with Jerry Hadley and Dawn Upshaw), and a revival of last year's smash-hit Britten's *Midsummer Night's Dream*. But opera is by no means everything at Aix. The pleasures of this festival have quite as much to do with the well-designed concert series (with its short "Une heure avec" recitals by rising singers, longer ones by more famous ones, and big choral events in the cathedral) - and with the place itself, of course, a beau idéal among festival locations.

ALDEBURGH

June 11 - 28
High Street, Aldeburgh, Suffolk IP15 5AX; 0728 453543.
Aldeburgh remains the quintessential English festival, suffocatingly so to some tastes. The joint artistic directors Stewart Bedford and Oliver Knussen have reinvigorated it of late, managing to do what seemed impossible a decade ago, given Aldeburgh an existence and character that fulfil its duties to the memory of its founding genius, Benjamin Britten, yet strike out on fresh paths. This year's highlights include a promised recital by Sviatoslav Richter, while the Borodin Quartet and the Dutch conductor/composer Reinbert de Leeuw are in residence; there is the premiere of John Taverner's opera *Mary of Egypt*, new works by Knussen and Alexander Goehr, and a staging of *The Beggar's Opera* given, naturally enough, in Britten's own realisation.

AVIGNON

July 10 - August 3
Le Festival d'Avignon, Bureau du Festival BP 492, 84073 Avignon
Avignon is one of the many festivals gripped by Spanish fever this year. Highlights should be Luis Pasqual's two productions *Le Chevalier d'Olmedo* by Lope de Vega and *Los caminos de Federico*, a composition of Lorca texts. Alain Maratrat's musical *Zarzuela! Historia de un Pato* comes here after its visit to the Vienna Festival; the French-Spanish text is by champion-translator Jean-Claude Carrère, who did *La Tempête* for Peter Brook. There is also a French version of Cervantes' *Le Siège de Numancia* and Pier Paolo Pasolini's play *Calderon*.

BATH

May 22 - June 7
Linley House, Pierrepont Place, Bath BA1 1JY. Tel: 0225 463362/466411
The 1992 Bath programme could be categorised, unfairly, as enjoyable rather than essential. No special infusion of festival-planning imagination seems to have gone into the mixture of chamber-music pro-

grammes (with the Takacs, Endellion and Lindsay among the quartets, Donohoe, Ousset and Lupu, among the pianists, Dmitry Sitkovetsky and song recitals by Brigitte Fassbaender and Stephen Varcoe) and orchestral concerts (including a Wells Cathedral *Gravitas* conducted by Charles Groves). The once-proud Bath tradition of contemporary music events has dried up: Capricorn (May 25) and the Nash Ensemble (May 31) provide the trickle.

BAYREUTH

July 25 - August 28
Kartenbüro, Bayreuther Festspiele, Postfach 100262, D-9550 Bayreuth, Germany. Tel 0921-20221.

Plácido Domingo's Bayreuth debut - in the title role of *Parsifal* for just two performances - is a publicity coup for the festival in a year with no new productions. Another debutant is Scottish conductor Donald Runnicles, in charge of

exciting prospect this year is the early modern revivals which hark back to Berlin's heyday: opera director Ruth Berghaus' production of Brecht's *Jungle of Cities*, Georg Trakl's *Bluebeard*, Barlich's *Blue Ball*, plus plays by Isaac Rabai and Sean O'Casey. Also marked in the choices this year is the introspective shift in German culture: in 1991 there were only four German authors; here there are nine. They include Botho Strauss with *Schlusschor* (*Final Chorus*), a flamboyant play about German unity directed by Luc Bondy, and Buchner, whose *Woyzeck* is reworked as a parable about 1990s adaptation and aggression at the Volksbühne in east Berlin.

BERLIN

September 2 - 27
Berliner Festspiele, Budapest Strasse 50, D-1000 Berlin 30, Germany. Tel 030-2548930 Fax 30-254 8911

main focus is on early and baroque music. Brno's excellent local choirs will perform sacred music by Zelenka, and there will be a staging of *La rappresentazione di Anna et di Corpo*, a dramatic allegory by the late 16th century Italian composer Emilio de' Cavalieri. The festival also pays centenary tributes to Honegger and Milhaud, and includes a strong dose of contemporary Czech and Slovak music.

BUXTON

July 15 - August 2
Buxton Opera House, Buxton SK17 6XN

The recent record of this once-promising opera festival has been dismal: skimpy stagings, only middling cast and conducted, of operas requiring much higher levels of expertise. The lovely spa town and its jewel of a theatre deserve better. This year, Handel's *Agrippina* (directed from the harpsichord) by Roger Vign

supply), the city itself provides such a fascinating study of historical reconstruction, botched Communist town planning and delayed modernisation - with quaint gas lamps still lining some residential streets - that no festival-goer will be disappointed.

DROTNINGHOLM

May 22 - September 24
Drotningholm Teatermuseum "Förställningsgården", Box 27050, S-162 51 Stockholm. Tel: 08 660 82 25

After a period of retrenchment, the festival at the tiny 18th-century Swedish court theatre has this year increased the number of performances - a boon for all those who up to now have despaired of encountering the Drottningholm miracle at first hand. This year's repertoire includes stagings of Salieri's *Faustina* and Gluck's *Orfeo* (in the rare Parma edition, with a soprano Orpheus) plus a new pastiche-style ballet

phonies and piano concertos. There will also be lesser known works like the *Contata Moscova*, and a concert performance of the opera *The Oprichnik*. There will be three performances of the double bill commissioned by the Imperial Theatre of St Petersburg from Tchaikovsky: the ballet *The Nutcracker*, choreographed for the innovative Adventures in Motion Pictures, and the opera *Yolanta* sung in English by Opera North.

DROTNINGHOLM

July 1 - September 24
Drotningholm Teatermuseum "Förställningsgården", Box 27050, S-162 51 Stockholm. Tel: 08 660 82 25

The season of Scottish music culminates on September 5 with the Scottish premiere of James MacMillan's *Percussion concerto* performed by Evelyn Glennie. Other musical highlights include a double bill of opera written for solo voices - Elisabeth Söderström singing Poulen's *La Voix Humaine* and Claudio Desderi's *Cimarrissa II Maestro di Capella*, and an opening night concert performance of Schoenberg's

Gloria. On August 26, 28 and 29, a new version of Tchaikovsky's *The Nutcracker* will be seen in a double bill with his opera, *Yolanta*. *The Nutcracker* will be in a new version by Matthew Bourne, choreographer and artistic director of the post-modern troupe "Adventures in Motion Pictures", which will be augmented to provide the dance cast.

DROTNINGHOLM

July 12 - 28
Schubertiade Hohenems, Schubertiade Strasse 1, Postfach 100, A-6345 Hohenems, Austria. Tel 5576-2091 Fax 5576-5456

This small Austrian festival is known chiefly for the quality of its recitalists, as well as for its huge contingent of British Schubert-lovers. Andreas Schiff will give a cycle of Schubert piano sonatas, Brigitte Fassbaender will sing *Winterreise* and Andreas Schmidt tackles *Die schöne Müllerin*. Other recitalists include Dietrich Fischer-Dieskau, Alfred Brendel, Margaret Price and Olaf Bär. Visiting quartets include the Cherubini and the Emerson. Niklaus Harnoncourt will conduct the Royal Concertgebouw Orchestra in a Schubert symphonic cycle.

DROTNINGHOLM

July 13 - September 24
Holland Festival, Kleine-Gartmanplantsoen 21, NL1017 EP

Dans Theater (Muzeiktheater), Amsterdam, June 23-37; The Hague, June 6, 9, 10, 11, 12); by Nederlandse Dans Theater 2 at the Stadsschouwburg, Amsterdam on June 12, 13, 14; and by the Dutch National Ballet at the Muzeiktheater, Amsterdam on June 18 and 20.

HOHENEMS

June 12 - 28
Schubertiade Hohenems, Schubertiade Strasse 1, Postfach 100, A-6345 Hohenems, Austria. Tel 5576-2091 Fax 5576-5456

This small Austrian festival is known chiefly for the quality of its recitalists, as well as for its huge contingent of British Schubert-lovers. Andreas Schiff will give a cycle of Schubert piano sonatas, Brigitte Fassbaender will sing *Winterreise* and Andreas Schmidt tackles *Die schöne Müllerin*. Other recitalists include Dietrich Fischer-Dieskau, Alfred Brendel, Margaret Price and Olaf Bär. Visiting quartets include the Cherubini and the Emerson. Niklaus Harnoncourt will conduct the Royal Concertgebouw Orchestra in a Schubert symphonic cycle.

LONDON, THE PROMS

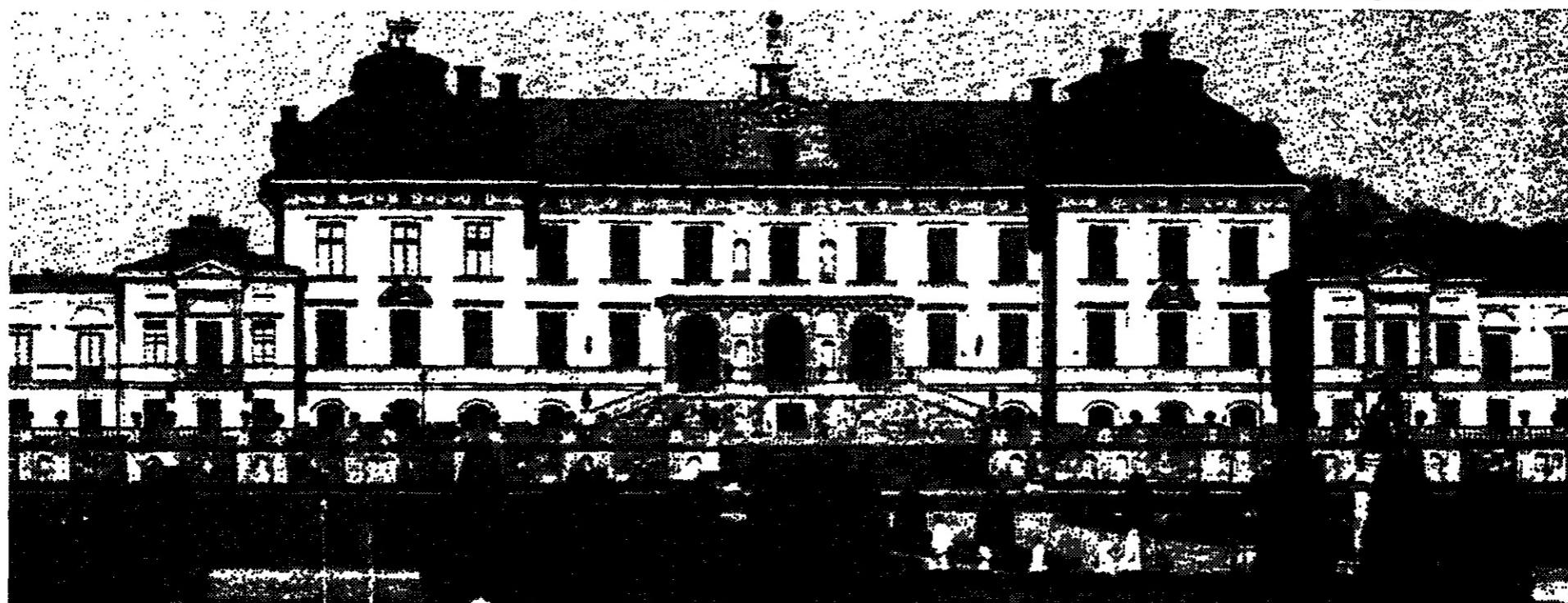
July 17 - September 12
Promenade Concerts Ticket Shop, Royal Albert Hall, London SW7 2AP; 071 823 9999

Though Russian music seems specially favoured and Haydn is healthily represented, there are no special themes for this year's Proms, just what seems on paper an unusually rich selection of orchestral goddes. As usual the BBC's own symphony orchestra takes on the main burden of the concert giving, but the roster of foreign orchestras boasts the Vienna and St Petersburg Philharmonics, the Cleveland and the Concertgebouw; visiting conductors include Boulez and Abbado, Rostropovich and Ratcliffe. Opera performances bring *Boris Godunov* from Opera North and *The Queen of Spades* from Glyndebourne, while Rossini's bicentenary is celebrated by, of all things, an evening of jazz arrangements. The new works look particularly promising - commissions from Holt, Casals, Dillon and Sawyer as well as premieres of Goehr, MacMillan, Taverner and Takemitsu.

MONTPELLIER

July 13 - August 1
Le Corum BP 9214, 34043 Montpellier Cedex 01 Tel: 6702-0201

Montpellier, the Radio France festival, devotes itself to revivals of off-the-beaten-track operas, interestingly chosen and cast, and interspersed with a broad mixture of symphonic programmes. The 1992 offerings include the original version of *Aida* (i.e. shorn of dance music added for Paris) and, in concert form, Sacchini's *Oedipe à Colone*, Puccini's early *Edgar*, Franchetti's *Cristoforo Colombo* and the premiere of Philippe Hersant's *Château de Carpathes*.



Drottingholm, Sweden: the repertory this year includes Salieri's *Faustina* and Gluck's *Orfeo*

a revival of Wolfgang Wagner's innocuous 1988 production of *Tannhäuser*. Sinopoli returns to conduct Dieter Dorn's cool, intellectual 1990 staging of *Der fliegende Holländer*, and the Barenboim-Kupfer Ring has its fifth and final year - with Anne Evans and Deborah Polaski sharing honours as Brunnhilde. As far as *Parsifal* is concerned, many will happily forego Domingo for the chance to hear the exciting Danish tenor Poul Elming in the first three performances.

BERLIN

May 15-31
Berliner Theatertreffen, Budapest Strasse 50, 1000 Berlin, Tel (030) 254 8900.

Hundreds of productions compete to be among the dozen invited to this annual theatre showcase, so the quality at Berlin is always inspired. The

Czechoslovakian and middle European culture are the dominant themes of this year's festival, which opened with the world premiere of Arthert Reimann's new opera *Das Schloss*, based on Max Brod's dramatisation of Kafka's novel. The concert line-up includes Czech repertoire conducted by Abbado, Rattle, Muti and Haitink, all with the Berlin Philharmonic. Libor Pesek will conduct the Chamber Orchestra of Europe, and Jiri Belohlávek is bringing the Czech Philharmonic Orchestra. There will be a special focus on contemporary Czech composers. Other unusual events include Sian Edwards conducting Frank Zappa, and a Berlin SO concert featuring four members of the Sandler family as conductors and soloists.

BERGEN

July 21 - August 23
Bregenzer Festspiele, A-6901 Bregenz, Postfach 311. Tel: (0574) 4920 228.

The opera festival at the Austrian end of Lake Constance has won itself an enviable reputation for the artistic seriousness and imaginative boldness of its response to the requirements of both place and tourist audiences. The big popular shows - this year, *Carmen* - take place on the stage floating in the lake, with spectator seats tiered on dry land; in the nearby indoor theatre there are modern stagings of rarer fare - this year, Berlioz's *Damnation of Faust* in Harry Kupfer's production. At its best, a Bregenzer visit proves unforgettable. Also on the schedule: dance, theatre, and concerts by the Vienna Symphony.

BRNO

October 1 - 11
Brno Festival, Radnicka 10, 602 00 Brno, Czechoslovakia. Tel 5-271511 Fax 5-23671.

There are still a few east European festivals which have not yet succumbed to western commercialism, and which provide ample reward to those willing to veer off the beaten track. Brno is one of them. This rugged Moravian city is closely associated with Janacek, and this year's festival includes a new production of *The Admetus* (by Broucek). But the

and Rossini's *Italiana in Algeri* (conducted by Jane Glover, the new festival artistic director, with Jean Rigby in the title role) look more promising, on paper at least. Other events include Schubert recitals by Ian Partridge, Benjamin Luxon and Sarah Walker.

CHELTENHAM

July 4-19
Festival Box Office, Town Hall, Cheltenham GL50 1QA; 0242 523690

Had it taken its courage in both hands in the 1970s, Cheltenham could have established itself as the leading British festival for contemporary music. But it didn't, and has subsequently spent too long trying to be all things to all public without really getting to grips with any of them. There has been more shape and sense of purpose in the last five years - stronger themes, higher profile events. Switzerland is the link this year, with good helpings of music by Honegger, as well as works by Goetz, Holst and Martin, and performances of many of the pieces commissioned by Paul Sacher for his Basle Chamber Orchestra. But other birthdays are being celebrated too - Hugh Wood's and Alexander Goehr's 60ths, Richard Arnell's 75th, and the centenary of Howells.

DRESDEN

May 23 - June 8
Dresdner Musikfestspiele, Postfach 6, 0-8016 Dresden, Germany. Tel 51-459 4040 Fax 51-459 3738

This is the first year that Dresden has merited a place on Europe's festival map. The city's musical past is celebrated in operas by two Dresden composers - a new staging of Weber's *Der Freischütz* and a production from Stockholm of Johann Gottlieb Naumann's *Gustaf Wasa*. Other rarities include *Una Cosa rara* by Mozart's Spanish contemporary Vicente Martín y Soler, and a Polish production of Britten's *Curlew River*. The attraction of the concert programme is a series of recitals in the newly-restored court palaces and country houses in the region surrounding Dresden. For those able to find accommodation (hotels still being in short

on Beaumarchais's *Figaro*, a visit from the Bavarian Chamber Opera with Hasse's *Artigiano gentilissimo*, and concert performances of both Haydn's and Gluck's *Amoris* operas.

EDINBURGH

August 16 - September 5
21, Market Street, Edinburgh, Tel 031-225-5758. Fringe: 031 226 5257

The Edinburgh Festival has a new director, Brian McMaster, formerly in charge of the Welsh National Opera. He inherited an empty cupboard and a deficit, and his first festival necessarily looks threadbare at the edges. There are no major overseas opera and drama companies visiting Edinburgh, but the programme could be popular with the public. And there is always the Fringe to offer excitement and variety in spades, plus the Film and TV Festivals which overlap with the main festivities. Edinburgh at Festival time remains the most artistically vibrant place in the world.

Music: There are four main themes to this year's Festival and two are musical - the music of Tchaikovsky and a retrospective of Scottish music stretching back to the 8th century Celtic chants in honour of St Columba.

There will be at least 30 performances devoted to Tchaikovsky, including all his symphonies

and *Aaron*, with Willard White and William Cochran.

Theatre: The two dramatic themes of the festival are the works of the Glasgow born playwright C.P. Taylor, best known for *Good and Bad a Nightingale Song*, and the great Edwardian playwright Harley Granville Barker, including his masterpieces, *The Voysey Inheritance* and *The Madras House*. Among the visiting companies are the National Theatre of Bucharest, with Andrei Serban's trilogy of Ancient Greek plays, and Eis Joigars from Barcelona.

Dance: This year the festival is rather more enterprising - and modern - than heretofore in its offerings. The Spanish flamenco star Cristina Hoyos will be seen with her troupe at The Playhouse, August 17-20. At the King's Theatre, Pina Bausch and her Wuppertal Dance Theatre will show *Cafe Muller* between Sept 3 and 5. Mark Morris will appear at the King's Theatre with his Dance Group in two programmes that give a comprehensive view of this fascinating creator: between August 18 and 20, his acclaimed version of Purcell's *Dido and Aeneas* will show him as both Dido and the Sorceress, with these roles sung by Della Jones; on Aug 22, 23, 24, the Morris company will present a triple bill of dance works: *A Lake, Ten Suggestions*, and

Amsterdam; 31 620 627 6566. Visitors to Amsterdam have difficulties with the Holland Festival. Its events are scattered through June, and unless your time and resources are limitless, it is hard to sample more than a fraction of the events on offer. Much of the interest is operatic, and contemporary opera this year at that, with the second-ever production of Nono's *Prometeo* and the Dutch premiere of the latest instalment of Stockhausen's *Licht* cycle, *Dienstag*.

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SUMMER FESTIVALS

Jazzing it up in unlikely places

Garry Booth chases the blues around the country



Line up at Montreux: Quincy Jones, Steve Lukather and Mory Kante

From the Bude to the Isle of Bute, Summer brings out jazz festivals the breadth of the country. Some of the best are held in the most unlikely places. Grimsby, for example, has its South Bank Festival (July 3-5, Tel: 0472 342422) which is held in a "marque complex" and this year features Phil Woods among scores of others. Crawley's civic Hawth Centre will be the venue for the often avant-garde Outside-In Festival (September 5-6, Tel: 0293 558356). Featured projects here include The Dedication Orchestra and Mike Westbrook's Orchestra.

The major events are in the last throes of programming and are as follows:

- Glasgow International**
July 2-11
(041) 552 3552
- Carla Bley is composer in residence and the Festival organisers have commissioned a new work from her for an orchestra which features Steve Swallow. Other features of a tremendous programme are a reunited Miles Davis Quintet with Wallace Roney depping for the great man; the Paul Motian Trio; Elvin Jones' Jazz Machine and the McCoy Tyner Big Band.
- Birmingham International**
July 3-12
(021) 454 7020
- The eighth annual Brum event,

headliners include the unpredictable soulfulness of Nina Simone and witty Mose Allison. The rest is a curious but engaging mix ranging from the Ted Heath to the Budapest Ragtime Orchestras.

Edinburgh International

August 7-18

(031) 557 1642

A big one getting bigger, the Edinburgh International now has a full weekend of blues, special venues for "world music" and is preceded by the McEwan's 80th Free Jazz Trail (August 3-7). The main events, which are held in the Usher Hall and Queen's Hall, include Pat Metheny (see also Brecon); Bob Wilber, Kenny Davaern and Oliver Jones; Dick Hyman and Jay McShann in concert. A Blue Note showcase is sponsored by Technics.

Brecon
August 14-16
(0874) 625567

Easy the most convivial of the UK's many jazz happenings, Jazz Aberhonddu is also one of the best programmed. This year's headliners include super guitarist Pat Metheny with drummer Roy Haynes and bassist Dave Holland. Trumpeter Clark Terry leads an all star small group and the hugely talented French pianist Michel Petrucciani puts in an appearance. The town's hotels, bars and fields team with music all weekend and

"stroller" passes are a good book early.

Bude

29 August - 5 September

(0288) 256360/(0684) 566856

Most of the many minor jazz festivals happening in the UK are trade-oriented, but Bude is the main event for lovers of Dixieland, New Orleans and good old fashioned stomping music. Wear a silly hat and bring a pewter tankard.

Edinburgh TDR Round Mid-night

31 Aug - 4 Sept

(031) 557 4446

Between them, Glasgow and Edinburgh host an indecent amount of top class jazz. In the last week of the Edinburgh festival, TDK spotlights Bob Berg/Mike Stern Band, George Shearing with Carol Kidd, and Nana Vasconcelos.

JAZZ OVERSEAS

JVC Jazz Festival

New York 19-27 June

212 787 2020

From Carnegie Hall to Waterloo Village, NJ, George Wein's NY fest is a nostalgic, star-studded affair. For his 75th birthday party (health permitting), Dizzy Gillespie will be joined by Wynton Marsalis, Freddie Hubbard and Jackie McLean; Lionel Hampton celebrates 65 years in jazz and the MJQ 40 years in the business; Gerry Mulligan leads a tentet. Tributes for those no longer with us include Leonard Feath-

er's concert for Stan Getz, Arthur Sandoval remembering Clifford Brown and Illinois Jacquet saluting trumpeter Buck Clayton. TV star Bill Cosby hosts an evening dedicated to John Coltrane.

13th Festival Django Reinhardt

June 26-28

1 64 24 64 82

Samois sur Seine, near Fontainebleau, was home to the great Manouche guitarist in his last years and the festival which commemorates his music was once attended only by gypsies. The gypsy guitarists still bring their caravans to the site, which is on the Ile du Perceau in the Seine, for a programme which is almost entirely French.

Montreux Jazz Festival

July 3-18

21 963 8282/7474

Less a pure jazz festival these days and more a celebration of musical tastefulness, the lake-side casino hosts C & W (Emmylou Harris), pop (Simply Red), blues (Eric Clapton), soul (Gladys Knight), and rock (Ringo Starr's All-Starr band). There is some jazz, however, and the best nights are July 15 (Herbie Hancock, Wayne Shorter & Co) and July 16 (The Brecker Brothers with Mike Stern and Dave Weckl plus, on the same night, Jimmy Smith and Salif Keita (who appears with the Weather Report pianist, Joe Zawinul's Syndicate).

Hague

July 30-12

70 354 29 58

"One thousand musicians playing continuously and simultaneously on 13 stages" is the frightening promise made by the North Sea Jazz organisers. The gargantuan programme includes: female vocalists Roberta Flack, Betty Carter, Dianne Reeves and Celia Cruz; the big bands of Lionel Hampton, Illinois Jacquet, McCoy Tyner and Cab Calloway; Gerry Mulligan's Tentet; An "organ explosion" which includes Jimmy Smith, Jimmy McGriff and the Lester Bowie Organ Ensemble; An Afro-Cuban, salsa and Brazilian section which includes Tito Puente; a fusion bill with Chick Corea, Grover Washington, Brecker Brothers and Spyro Gyra.

La Grande Parade du Jazz

Nice

July 11-21

1 46 21 08 37

A rich mix of mainstream and blue sounds is available at the Nice festival this year with Lionel Hampton, Fats Domino, B.B. King and The Wynton Marsalis Septet topping the bill. An African flavour is added with the appearance of Youssou N'Dour, Mory Kante and Salif Keita (who appears with the Weather Report pianist, Joe Zawinul's Syndicate).

A big year for Pesaro and major coups in Seville

MUNICH

July 6 - 31
Festspielkasse der Bayerischen Staatsoper, Maximilianstrasse 11, D-8000 Munich 22, Germany. Tel: (089) 221 3116

The opera festival offers new productions of *Carmen* (by Liane Werdmüller, with Agnes Baltsa, conducted by Giuseppe Sinopoli) and, in the small, delightful Civilié-Theater, a rare modern revival of Henze's *Prinz von Homburg* (conducted by Wolfgang Sawallisch, with François Le Roux, Helga Darnesch and Peter Schreier). Otherwise, it is the Munich formula as usual: end-of-season offerings performed by glossy names on little or no rehearsal to often scrappy, lacklustre effect. Among them are *La forza del destino*, *Fidelio*, *Peter Grimes*, *Dvořák's Dimitrij*, *Der Rosenkavalier* and *Boris Godunov*, and Strauss's *Intermezzo* in the Civilié.

PESSARO

July 31 - August 18
Rossini Opera Festival, Via Rossini 57, 61100 Pesaro, Italy. Tel: 721-30161 Fax 721-30979

This is Pesaro's big year - the bicentenary of its most famous son, Rossini, will be celebrated in four opera productions: *Il barbiere di Siviglia* with Cecilia Bartoli as Rosina, *Semiramide* conducted by Rossini's musicologist Alberto Zedda, *La scala di seta* with a cast of young Rossini specialists and *Il viaggio a Reims* in the celebrated Abbado-Ronconi production. There will also be a rare staging of *Carnevale per i Borbone* conducted by Riccardo Chailly.

PRAGUE

May 12 - June 1
Prague Spring Festival, Heliocova 18, 11800 Prague 1, Czechoslovakia. Tel 2-530293 Fax 2-536040

Despite being swamped with tourists, Prague at festival time is still an attractive prospect. Before the revolution, it was a showcase for Czech and east European culture. Now it gives local audiences a chance to hear western artists whose visits were strictly rationed under the Communists. Guests in the remaining two weeks of this year's festival include Maurizio Pollini, the Hilliard Ensemble, the Vienna Sym-

phony Orchestra and radio orchestras from Berlin and Copenhagen. But there is also some more exotic fare, such as Massenet's oratorio *La Vierge au St Vitus* Cathedral, the Prague Madrigalists singing sacred music by Zelenka and the Suk Chamber Orchestra playing lesser-known Czech composers. Ulf Schirmer conducts the Czech Philharmonic in the world premiere of a new work by Jan Hanzs and Vallav Neumann conducting Schnittke's Concerto Grossso No 5 at the final concert.

RAVENNA

June 22 - July 21
Ravenna Festival, Via Gordini 27, 48100 Ravenna, Italy. Tel: 544-48244 Fax 544-56303

As well as usual end-of-season offerings performed by glossy names on little or no rehearsal to often scrappy, lacklustre effect. Among them are *La forza del destino*, *Fidelio*, *Peter Grimes*, *Dvořák's Dimitrij*, *Der Rosenkavalier* and *Boris Godunov*, and Strauss's *Intermezzo* in the Civilié.

SANTO DOMINGO

ST LOUIS

May 22 - June 21
Opera Theater of St Louis, with its picnics on the lawn, intimate theatre conditions, performances all in English and general air of relaxed bonhomie, is such a pleasure to attend that its rigorous performance standards (many of America's best singers find their feet here) and adventurous repertory are a special bonus. This year's new work is Judith Weir's *The Vanishing Bridegroom* (US première), and Hugo von Hofmannsthal's *Jedermann* (*Boeremani*), starring Helmut Lohner, performed outdoors at the Domplatz.

SANTA FE

July 3 - August 29
PO Box 2408 Santa Fe, New Mexico 87504. Tel 0101 505 982 3855

There are new productions of *Don Giovanni* and *The Beggar's Opera* this year together with revivals of *Fledermaus* and *Rosenkavalier*; nothing that far to send opera fanatics hot foot to deepest New Mexico. But the American première of Von Boese's *The Sorrows of Young Werther* provides novelty and genuine interest, and then there is the place itself - the most spectacular setting for an opera house, surely, anywhere in the world.

SAVONLINNA

July 1 - 31
Olaviinkatu 35, SF-57100 Salzburg, PO Box 140. Tel 043 662 8045.

This year the new festival director, Gerard Mortier, really begins to leave his mark on the festival schedule. A much sharper profile is given to the theatre offerings, with a new production of *Julius Caesar* by Peter Stein as particular coup; and the choice of operas reflects a diversity and bold-

ness of choice unknown during the Karajan years. New productions of Janacek's *House of the Dead* (staged by Klaus Michael Grüber, conducted by Abbado), with Nicolai Ghiaurov, Barry McCreary and Philip Langridge) and Messiaen's *St François d'Assise* (staged by Peter Sellars, conducted by Esa-Pekka Salonen, with José van Dam) stand out among the big-name revivals of *La Clemenza di Tito*, *Figaro*, *Die Frau ohne Schatten* and *Selma*. Pierre Boulez leads a concert series with the Ensemble Intercontemporain; the Los Angeles Phil, St Petersburg Phil and CBSO (under Simon Rattle) are among the visiting orchestras; and recitals by Margaret Price, Dmitry Hvorostovsky, Felicity Lott and Fischer-Dieskamm add to the concert bounty.

The theatre offering this year is small but classy: a new production of *Julius Caesar* by Peter Stein, the first German production of Stanislaw Wyspianski's *Weisse* (*The Wedding*) and Hugo von Hofmannsthal's *Jedermann* (*Boeremani*), starring Helmut Lohner, performed outdoors at the Domplatz.

SPOLETO

July 24 to July 12
Associazione Festival Dei Due Mondi, Via Cesare Beccaria 18, 00196 Roma, Italy. Tel: 6-3310 288 Fax 6-3200 747

This young festival, master-minded by pianist and impresario Justus Frantz, is like a musical mosaic, spread across some of the most attractive towns in north Germany, in venues which give a more intimate festival atmosphere than most. The North German Radio Symphony Orchestra opens the festival in Lübeck (under Günter Wand), and gives the closing performances of Britten's *War Requiem* with John Eliot Gardiner. The festival orchestra will be conducted by Maazel and Solti, and visiting ensembles include the CBSO with Rattle, the Gothenburg Symphony Orchestra with Järvi, the Stockholm Sinfonietta and the Lithuanian and Norwegian Chamber Orchestras. Recitalists include Rudolf Buchbinder, the Labéque Sisters, Bruno Leonardo Gelber, Peter Schreier and Hermann Prey.

TURIN

July 27 - August 30
Salzburg, PO Box 140. Tel 043 662 8045.

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SPOLETO

June 24 to July 12
Associazione Festival Dei Due Mondi, Via Cesare Beccaria 18, 00196 Roma, Italy. Tel: 6-3310 288 Fax 6-3200 747

This young festival, master-minded by pianist and impresario Justus Frantz, is like a musical mosaic, spread across some of the most attractive towns in north Germany, in venues which give a more intimate festival atmosphere than most. The North German Radio Symphony Orchestra opens the festival in Lübeck (under Günter Wand), and gives the closing performances of Britten's *War Requiem* with John Eliot Gardiner. The festival orchestra will be conducted by Maazel and Solti, and visiting ensembles include the CBSO with Rattle, the Gothenburg Symphony Orchestra with Järvi, the Stockholm Sinfonietta and the Lithuanian and Norwegian Chamber Orchestras. Recitalists include Rudolf Buchbinder, the Labéque Sisters, Bruno Leonardo Gelber, Peter Schreier and Hermann Prey.

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This year the new

ARTS

An apology for a film festival

Nigel Andrews finds two survivors and a stretcher case at Cannes

SUDDENLY THE other night Cannes had something worth shouting about. "Magnifique!" cried a thousand festivalgoers as they watched. "Sensational!" "Sacré bleu!" "The best thing we have seen so far" (Translate into the language of your choice).

The cause of passion was a firework display. As bouquets of light burst over the bay, we all wondered why it had taken twenty-odd tons of gunpowder to prise open emotional responses left untouched by the films. This spectacle was a film in part. But what a film: laser-projected images of fire and war and clinching couples — Gable and Leigh, Garbo and Boyer, even Krushchev and Castro — thrown onto a giant floating screen as the real fireworks exploded all around.

They say that human beings are united by adversity. But Cannes, pre-fireworks, had been the grimmest get-together in Côte d'Azur memory. Normally goodhearted festivalgoers avoided each other's eyes lest colleagues had even worse tales of aesthetic debacle to tell than they. "Did you see the Icelandic film about despair in the fishing industry?" (As did Thorodden's *Island*). "No, but I bet it wasn't as bad as that talkative Canadian movie about the gay murderer who drones on about why he killed his lover with a kitchen knife" (Jean Baudin's *Being At Home With Claude*). "Well, at least it wasn't an ice pick. Do you know, I just saw the 33rd film in which..."

Enough. From a festival resembling an unpleasant accident, let me pick out two unscathed survivors and one partial stretcher-case that smiled for the cameras. From Sweden Billie August's *Best Intentions* has a script by — oh how we need him now — Ingmar Bergman. The film surges majestically through the century's early years as Bergman recreates the romance and marriage of his own parents.

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Flex-movie: Penelope August and Samuel Fröler in 'The Best Intentions'

He is a cold-eyed Lutheran pastor, she a walking nervous breakdown. Between them, in snowscapes and lakeland that dazzle the eye, they create the conditions of elegiac dementia into which young Ingmar could be born.

This is a prequel to *Fanny And Alexander*. It is also a flexi-movie in the same vein. A 4-hour TV serial co-exists with the three-hour film seen at Cannes; and indeed our only reservation is that we feel we could buy this story by the yard. (Why not five hours — seven — ten?) But Bergman has lost none of his skill at paring emotion to the bone and beyond to the marrow. Quarrel scenes have a lacerating force; reconciliations a melting poignancy. As for director Billie August, he was the last non-American to win a Cannes Golden Palm with *Pelle The Conqueror* and he may be the first non-American to end Hollywood's three-year run in 1992.

The other alive-and-kicking festival item, shown non-competitively in the Directors' Fortnight, was Stacey Cochran's *My New Gun*: a blissful black comedy about a young New Jersey suburbanite (Diane Lane) whose life is transformed when she is given a gun by her security-conscious yuppie husband (Stephen Collins).

Direct and indirect results: two wounding, one near-fatal case of food poisoning, the discovery of a lost Country and Western singer in hiding (Tess Harper), an adulterous romance and a friends' wedding that almost models itself on one of those famous blood-bath nuptials beloved of *Dynasty*.

The film is sly, wise and very funny. So at best, with its spot-the-star cast and trigger-happy satirical zest, is *Bob Roberts*. Tim Robbins, defiled by Cannes as the star of Robert Altman's anti-Hollywood spoof *The Player* (current Golden Palm favourite), wrote, directed and gave himself the

lead role in this Awful Warning romp about a pop singer turned neo-fascist senatorial candidate.

Gore Vidal turns up as a waspish political veteran and Giancarlo Esposito as a radical black journalist; plus Susan Sarandon, James Spader, Alan Rickman and more stars than you can find walking the Croisette. If you were watching for political subtlety, you would leave after five minutes. Robbins' targets are made of straw and he peppers them with a blunderbuss. But the film boasts a snazzy storytelling style — all Steadicam bustle and spitfire close-ups — and makes deft use of newsworthy mock-ups in the style of *Citizen Kane*.

Elsewhere, films are going down with all hands at Cannes 1992. Even the ones that begin with a blaze of ambition — like Vincent Ward's globe-hopping

Kitsimo-makes-good tale *Map Of The Human Heart* or Fernanda Solanas's sardonic history of post-Columbian America *The Voyage* — are soon sinking towards oblivion. And as films clock up 2, 3, 4-hour running times, panic is caused in the scheduling department. Some critics have turned up for 8 pm screenings only to be told that the film began at 7.

Not surprisingly, they adjourn to the nearest bar to fill up with four-star Fernet Branca.

Is there a moral in the artistic decrepitude of this festival? Yes. I suspect we are seeing the convergence of two catastrophic tendencies to create a Chaos Theory of late-century cinema. To the East as I speak, Europe is breaking up as once-rich consortium of individual cultures. It is becoming a wasteland for co-production carpetbaggers. Look and quail at Cannes samples like *The*

Last Butterfly, a Nazi melodrama with Tom Courtenay adrift in ill-dubbed Czechoslovakia. And to the West, America's *The Voyage* is hurling at us its short-attention Video Age no-brainers. Woo upon a festival that has to open with *Basic Instinct* and close with the new Tom Cruise vehicle.

No wonder Britain, secure in a middle ground, has contributed two of the three current favourites for Golden Palm. If you have shirts, prepare to shred them now. Put one third on Robert Altman's *The Player*, one third on *Howard's End*; and one third on Terence Davies's touching self-portrait in celluloid *The Long Day Closes*. Screened last night, this proved a hit with everyone except the French. But then who sets store by the French these days? They were responsible for mounting this apology for a film festival.

Alive on Broadway

THREE MAY be hope after all for the American musical theatre. Rumours have circulated for years that it is slowly dying, overwhelmed by the British mega-musical, but a lively Broadway season indicates that perhaps it was merely hibernating. The big box-office hits this year, *Guys and Dolls* and *Crazy for You*, are American to the core, and this spring's most exciting new productions, *Jelly's Last Jam* and *Falsettos*, show the presence of talent that just might reinvigorate the industry.

This Broadway year (from May 1, 1991) started dimly, with only 10 new productions opening in the first 26 weeks (as opposed to 14 last year), but perked up considerably in its second half, with the opening of nine musicals and 20 plays. Theatre attendance this spring is at 82 per cent of capacity (last year it was at 70 per cent), and the League of American Theatres and Producers reports that this will be the most profitable season in Broadway history — box office grosses may top \$285 million, up \$18 million from last year.

As the cost of producing on Broadway mounts, so does the importance of the Antoinette Perry ("Tony") Awards. Winning Tonys gives productions credibility to punters, and that means increased sales. This year's Tony award nominations were made on May 4; the Annual Tony Awards (the 46th) will be bestowed by the American Theatre Wing and the League of American Theatres and Producers on May 31 at the Gershwin Theatre. *Jelly's Last Jam* earned the most nominations — 11 — and was nominated in every possible category.

Jelly's Last Jam is bookwritten by Karen Fricker, reviews the 'Tony' nominated New York musicals

light-skinned Creole, Morton called himself white and hated "niggers" — and hubris — he claimed to have invented jazz single-handedly — which Wolfe argues, hindered Morton's artistic and personal development.

Jelly's Last Jam secures Wolfe's status as one of American theatre's most innovative auteurs. From the musical's first moments his energy and imagination blast through the theatre, with the Chimney Man's gripping invocation to the company's eccentric "Jelly's Jam" to his sly twist of the clichéd *Big Entrance* — Gregory Hines as Morton ascends slowly on a platform back to the audience, and pauses just long enough to tantalise before he turns.

With Stephen Sondheim, Hines is pioneering the genre of music theatre, which uncovers plot through melody and lyrics, using little spoken dialogue. For his subject matter Hines looks no further than the world immediately around him; he displays the complexities, ironies and tragedies of contemporary life in a voice both screamingly funny and achingly honest.

In the first act of *Falsettos*, Marvin (Michael Rupert) has left his wife for another man, with

tap dancer, and as the production's star, tap is must and does through Morton's life, which, unfortunately, draws attention to *Jelly's Last Jam*'s only major flaw — an uneven and sometimes inadequate book. The musical never reveals just what Morton's unique contribution to jazz was; the audience learns more about Hines's exceptional tapping skills than Morton's musicianship.

The supporting cast is uniformly excellent, particularly the women: Tonya Pinkins, as Anita, Morton's lover and business partner whose voice and presence make "Play the Music for Me" a steamy highlight; Mary Bond Davis as Miss Mame, in whose club Young Jelly (Savion Glover) first encounters Jazz; Ann Duguey as Morton's Creole Grandmother; and Mamie Duncan-Biggs, Stephania Pope, and Allison M. Williams as the Hunnies, who function variously as Morton's backup group, bodyguards and musical tour guides.

Though musical theatre aficionados have known about his work for years, mainstream recognition has evaded composer/lyricist William Finn. Broadway has not been ready for sung-through musicals peopled with "homosexuals, women with children, short insomniacs and a teeny-tiny band" — and "Four Jives in a Room Bitching". Finn's finally made it to Broadway with a dream production of *Falsettos* — two of his "Marvin Musicals" — *March of the Falsettos* and *Falsettoland* — presented as one evening.

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In the first act of *Falsettos*, Marvin (Michael Rupert) has left his wife for another man,

but coming out is not a cure-all. He is still neurotic. *Everyone's a Falsetto* is in there or a therapist. Marvin's psychiatrist, ends up marrying Marvin's ex-wife, Trina.

The second act moves from the late 1970s to 1981, and "something bad is happening" — young men, including Marvin's lover Whizzer, are dying. From a lighthearted, even silly tale of an individual domestic situation, *Falsettos* becomes a makeshift family gathered at the bedside of a formerly "healthy young bachelor". Aids is never mentioned by name, but it becomes *Falsettos'* unifying structure and the focal point of its characters' lives.

Rupert, though a touch WASPish to be a perfect Marvin, sings the role beautifully, earning a best-actor Tony nomination. Stephen Bogardus, perfectly cast as the chiseled Whizzer, and Chip Zien, a lovely obnoxious Mendel, were overlooked in the best supporting actor category. Barbara Walsh, nominated as best supporting actress, gives a performance of remarkable depth and wit as Trina.

Both *Jelly's Last Jam* and *Falsettos* are strong contenders for the Best Musical Tony. They still might lose out, though, to *Crazy For You*, a giddy, hollow mish-mash of Gershwin hits which feels like a tired revival, and is actually a rewrite of the Gershwin's *Girl Crazy*, but has been placed in the Best Musical category

because of a new book by Ken Ludwig.

The remaining nominees in the Best Musical category — *Five Guys Named Moe* — is mismatched against its American competition. What seemed the sedate charm of London's Theatre Royal Stratford East comes across as shallow and silly in the New York production, despite Cameron Mackintosh's laboured efforts to simulate the Theatre Royal's riotous atmosphere on Broadway. The pre-interval conga conspicuously ends up in "Moe's" — the cafe-bar Mackintosh built onto the Virginia Theatre for just this purpose. The audience at *Five Guys* resented being forced fun.

Guys and Dolls, this year's megahit, is a shoo-in for the Best Revival Tony, as predicted or, more accurately, predicated by the *New York Times*. No amount of press hype, however, can disguise the emptiness of Jerry Goldsmith's production. Its various elements are good enough: the material, of course, is among the best of the genre. Tony Walton's sets and William Ivey Long's costumes are eye-catching, and the performers, particularly Faith Prince as a chirpy Miss Adelaide, Nathan Lane as Nathan Detroit, and Walter Bobbie as Harry the House, do nicely-nicely, thank you, but their exploring songs in subtler detail — less like an all-purpose diva, more like a committed interpreter.

DYNAMIC dancing. **A**ND THE PLACE'S policy of "come one, come all" indicates a generosity of artistic nature that verges on the saintly (and few saints, on pyre or rack, have known the torments that a gently raised critic suffers when faced with some of the Euro-trash on offer). The Place's assumption that from a flood of mincemeaty something valuable might emerge bore fruit a couple of years ago when the Flemish choreographer Wim Vandervenbus first came to London. He was a dance theatre of blatant physicality, where risk-taking, and the body launched Exocet-like, as his cast bubble in various languages. Not that the caprices of a girl filling her pockets with water, or another girl scraping her amplified boot over the floor, serve any dramatic purpose.

Vandervenbus has returned to The Place with his latest creation, *Always the Same Lies*. It is a piece which proclaims the continuing ferocity of his movement style, but shows that style now sitting at odds with pretension, chit-chat, and politely anarchic games. (Much sticky fun is had by the cast in throwing, and dropping, eggs.) The show lasts ninety minutes, of which half is devoted to bad behaviour: there is something infantile in the tantrums, the secret little activities, that serve as breathing-space and

exquisitely gauged physical bravura. I cannot believe that a creator as able as Vandervenbus is beating his head against the ancient stone-wall of People's Failure To Communicate, as his cast bubble in various languages. Nor that the caprices of a girl filling her pockets with water, or another girl scraping her amplified boot over the floor, serve any dramatic purpose.

The indiscernible theme to the evening is "the life and memories of an eccentric octogenarian seaman", and film clips mock and patronise an old man in unfeeling fashion. But the value of Vandervenbus' work lies in its dancing, physical and emotional. For this we forgive the muddled dramatics, the messy, juvenile sport. (Twice the cast throw garments at the audience and then, like a child with a lost ball, ask for them back. Their bravado is as hollow as their posturing.) But there is nothing indecisive about the movement made by the five men and three women, nor any uncertainties in the visual power of the dance or the general design (a patchwork floor-cloth that becomes a luminous backdrop is beautiful).

Three chairs, three hammocks, hang from the ceiling. The men play Tarzan games, and plummet from the chairs, and plummet from the chairs;

Clement Crisp

■ Wim Vandervenbus is at the Place until Saturday, May 16. His visit is supported by The Ministry of the Flemish Community in Belgium.

Hit and miss Schnitke

THE MUSIC OF Alfred Schnitke forms the backbone of the London Sinfonietta's current South Bank series. Alongside Schnitke's Concerto Grossi and his Fourth Symphony, which gets its London premiere next Thursday, there are premieres of three British works — by Nicholas Maw and James MacMillan so far, and by Benedict Mason in the final concert.

Schnitke is very much the flavour of the moment in Western Europe. Max Loppert reported from Amsterdam on the premiere of his first opera, *Life with Death*, a month ago, and the Sinfonietta's survey follows in the wake of the Barbican's major Schnitke celebration last year. Those concerts were splendidly supported and rapturously received. The new series so far has attracted less attention, perhaps because the first concert had to compete

with Philip Glass strutting his endless stuff in the Festival Hall, while this week's clashed with a performance of Messiaen's *Turangalila Symphony*. There is a serious risk, too, of over-exposing a highly circumscribed talent. The more one hears of Schnitke's music, the more one realises how hit-and-miss it is, and how its superficially seductive synthesis of such disparate musical elements works expressively on some occasions, surreally on others, while misfiring completely far too often. So the First Concerto Grossso from 1977, which Antony Pay conducted in the first concert is one of his successes, but the orchestral version of the 1985 Trio Sonata proved to be a dogged, overblown failure. At another extreme the Concerto for Piano and Strings, in which Paul Crossley was the excellent soloist on Thursday, seems to have been written for Schnitke's major Schnitke celebration last year. Those concerts were splendidly supported and rapturously received. The new series so far has attracted less attention, perhaps because the first concert had to compete

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TELEVISION

BBC1

8.35 Open University, 7.30 News, 7.30 Hello Spencer, 7.50 Barber, 8.15 The Jesters, 8.30 Round the Twist, 9.00 Parallel 4.
10.55 Film: Bugs Bunny Road Runner Movie. Cartoon highlights from Warner Brothers cartoons. (1979).
12.30 Grandstand: Introduced by Steve Rider. Including at 12.35 Football: European Championship preview. 12.50 Olympic Reflections. 1.00 1.30 Cycling from Leicestershire, Canada and Belgium. 1.25 Judo: The European Championship from Paris. 1.55 Racing from Newbury. At 2.00 The Winchester Handicap. 2.05 Athletics from Grampian: Men's Mile. Peter Elliott competes. 2.25 Racing: At 2.30 The London Gold Cup (Horse). 2.35 Athletics: Women's 100m Hurdles. At 2.45 The Aston Park Stakes. 3.05 Hockey: Great Britain v India. 3.50 Racing from the Curragh. At 3.55 The Irish 2.000 Guineas. 4.05 Athletics: Men's 5000m. 4.25 Cycling from Leicester. 4.55 Cricket: Previewing England v Pakistan. Times may vary.
5.10 News.
5.20 Regional News and Sport.
5.25 That's Fix It.
6.00 That's Showbusiness.
6.30 Film: The Money Pit. A young couple renovate an old ramshackle house. Comedy, starring Tom Hanks and Shelley Long (1986).
8.00 Growing Pains. New series. Family drama with Ray Brooks and Sharon Duce as a middle-aged couple who decide to foster children.
8.50 Casualty. Duffy and Kelly's relationship takes a turn for the worse when the student nurse continues a love affair with a doctor's prescription.
9.40 News and Sport: Weather.
10.00 That's Life! Singer Alison Jordan, winner of the That's Life search for a star, recalls her own experience of bullying. Plus, the search for Postman Pat and virtuous performances from three singing dogs.
10.40 Crime: Streets of San Francisco. Karl Merton and Michael Douglas play police detectives who piece together the last days in the life of a murder victim. (TVM 1972).
12.15 Weather.
12.30 Close.

BBC2

8.40 Open University.
3.00 Film: Ask a Policeman. Village policemen track down a gang of smugglers. Will Hay comedy (1936).
4.15 Film: Some Came Running. Frank Sinatra, Dean Martin and Shirley MacLaine in a melodrama about disillusionment in a small mid-western town in the 1940s. (1958).
6.25 The Human Element. New series. Dr Ruth Stime looks at the life and work of Liesel Melchner, whose achievements included vital work with uranium, which led to the splitting of the atom.
6.55 News and Sport: Weather.
7.10 Have I Got News for You? With journalists John Diamond and comedian Harry Enfield.
7.40 One World: Sex, Drugs and Danger. Alexei Sayle takes a satirical look at the scandal behind the world's food business, where the well-fed get food from the hungry, and rich bankers make money from the poor.
8.30 Rhythms of the World. Part one of two. Searching the streets of London to discover the immigrant communities making their mark on the city.
9.30 Commissions and Collaborations Launch. Highlights of the forthcoming TV season made in collaboration with many of the country's leading artists.
9.40 The Mystery of Dr Marinov. Ken Russell's dramatisation of the life and work of Czech composer Bohuslav Martinu through a surreal montage of dream sequences.
10.45 Film: Brighton Beach Memoirs. Adaptation of Neil Simon's play about two families living under the same roof in 1937 Brooklyn. Starring Sylette Danner. (1984).
12.30 Film: The Strangler. Victor Buono plays a mad killer. With David McLean and Ellen Corby. (1964).
2.00 Close.

LWT

8.00 TV-am. 8.25 Gimme 5. Caprice includes young women Kira Kross and Australian soap star Craig McLachlan. Amanda Ross talks about her new series Follow Your Nose and green expert Chris Goworth offers advice on becoming more ecologically sound at home in Environment Week. 11.30 Zorro. 12.00 The ITV Chat Show.
1.00 ITN News: Weather.
1.05 LWT News.
1.10 The Day.
1.15 World's Greatest Stunts - Live!
1.50 Sports.
2.20 Davy Crockett.
2.30 Film: Medieval Cowboy in Paradise. Michael Scott McClintock's investigation when Chief Clifford is framed for murder in Hawaii. Police drama, starring Dennis Weaver (1973).
5.00 ITN News: Weather.
5.05 LWT News and Weather.
5.15 Only Jackin. With Bradley Walsh. Beverly Hills 90210.
6.40 Wayne Dobson: A Kind of Magic. Wayne is joined by guests Anna-Croft and Duncan Trillo.
7.10 Bob's Your Uncle.
7.35 Perfect Scoundrels. Buchanan is suspicious when Cassidy's original idea is taken for a favour. With Peter Bowles, Bryan Murray and James Ellis.
8.55 ITN News: Weather.
9.15 Frankie's House. Page takes Flynn on his first assignment into the field. But in their attempts to take more shocking front line photos they are ambushed. Second one of the true-life Vietnam drama, starring Iain Glen and Kevin Dillon.
10.15 World Championship Boxing. Match of the Month: Steve Collins vs Colin McMillan for the WBO Featherweight Championship from Alexandra Palace, London. Introduced by Jim Roseenthal, with commentary by Reg Gutteridge and Jim Watt.
11.20 Metro. Ian Darley talks to Barbara Windsor, plus music from the Orchestra of the Age of Enlightenment.
11.55 Tour of Duty.
12.05 Get Stuffed; ITN News Headlines.
1.00 The Big E.
1.55 Get Stuffed.
2.05 WCW Pro Wrestling; ITN News Headlines.
2.55 Music from the Bridge.
3.25 New Music.
4.20 The Hit Man and Her.
12.30 The Twilight Zone.
1.20 Close.

CHANNEL 4

1.00 Early Morning. 10.00 Sign On. 15.00 Film: The Last Witch Hunter. 17.15 UK Police Crest Test. 22.00 Get Smart. 23.00 pm Sun.
1.00 Film: Where No Vultures Fly. African adventure about the establishment of the Mount Kilimanjaro Game Reserve Park. Starring Anthony Steele, Dinah Sheridan and Harold Warrender (1981).
3.00 Gustav the Incomable.
3.05 Racing from Newmarket and The Curragh. Including from Newmarket: The 3.10 Maloney and Rhodes Maiden Stakes, 3.45 Coral Handicap Stakes, 4.15 Shayadifillies Stakes, and 4.45 Burlington Press Handicap. From The Curragh: At 3.55 The Irish 2.000 Guineas.
5.05 Brookside.
6.30 Right to Reply. Viewer Nick Wingfield talks to Paul Morley about his new series, The Thing Is... He believes Morley has nothing to prove.
7.00 A Week in Politics. Coal Minister Tim Eggar MP, Labour energy spokesman Frank Dobson MP and former Secretary of State for Energy Cecil Parkinson discuss the Government's plans to privatise the coal industry. Plus a report from the miners' strike on how the world trade negotiations continue to be held up by the EC's inability to agree on farm price reforms.
8.00 Adventures: The Great American Bike Race. Following the longest and hardest cycle race in the world, from Los Angeles to Texas. This coast-to-coast crossing of the USA takes cyclists through the Western deserts, over the Rocky mountains and the southern states. Sleeping for only 90 minutes a day, the winner is simply the cyclist who rides fastest to the finish line.
9.00 The Nightmare Years. It is 1936 and William Shirer is horrified to see Nazis encouraging students to burn their books. Sam Waterston, Marthe Keller and Frances Barber star.
10.50 Centrepoint. Concluding the two-part thriller, Roland is reunited with his father, and continues his quest to see justice done. Starring Jonathan Firth and Bob Peck.
12.30 The Twilight Zone.
1.20 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:
ANGLIA:
1.05 Film: Where No Vultures Fly. African adventure about the establishment of the Mount Kilimanjaro Game Reserve Park. Starring Anthony Steele, Dinah Sheridan and Harold Warrender (1981).
1.05 Border News. 1.10 Chequered Flag. 1.45 Sports Roundup.
1.45 Quenched Flag. 2.10 Cartoon Time. 2.25 The A-Team. 3.20 Carry On Regardless. (1961).
2.45 Anglia News and Sport. 3.10 Regional Broadcast.
3.15 Film: Some Came Running. 4.15 Sports Roundup.
4.15 Border News. 4.10 Chequered Flag. 4.45 Sun City. 5.05 Granada News. 5.15 Wild Geese 2. (1985).
5.15 Blackbutters. 1.05 Diary Dates. 1.15 Motor Sport Special. 1.40 West of Zimbabwe. (1984). 4.20 Robinson Crusoe. 4.50 Cartoon. 5.05 Channel News. 5.10 Puffin's Pleasure. 11.30 The Heist. (1970).
GRANADA:
1.05 Express. 1.05 Granite. 1.15 Motor Sport Special. 1.40 West of Zimbabwe. (1984). 4.20 Robinson Crusoe. 4.50 Cartoon. 5.05 Channel News. 5.10 Puffin's Pleasure. 11.30 The Heist. (1970).
SCOTLAND:
1.10 Children's Island. 1.15 Charlie Brown. 1.35 Scotland Today. 1.45 Sports Roundup.
1.45 Film: The Heist. (1970).
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LAST MONDAY the many millions who watched ITN's news bulletin were unwittingly and at a stroke turned into voyeurs.

The television company had - at who knows what price? - bought films from some international peeping-tom, showing the Princess of Wales stripping off at the side of the swimming-pool of the British embassy in Cairo. The peeping-tom effect was enhanced by the fact that the film was framed by bushes in the shape of a keyhole - the cover for ITN's paparazzi. Inadequate cover, as it happened, because the Princess eventually noticed the intrusive lens, and rushed away from the pool, understandably very upset.

Naturally, ITN did not have the courage to show this part of the film - it is important to their

The princess and the peeping toms

Dominic Lawson finds the voyeurism of the British media offensive

conceit that viewers should not realise they are party to a deeply resented intrusion.

I don't want to sound too much like Sir Burton Turton, *Private Eye's* imaginary Tory backwoodsman, but I cannot believe that in the golden days of Sir Alastair Burnet, ITN would ever have dreamt of such an illicit piece of snooping.

Illicit, but not technically illegal. In Britain we have no privacy laws, except, anomalously, in the field of computerised information. The French do have such laws, which may explain - if good food doesn't - the decisions of characters such as the Duke of Windsor and Sir Oswald Mosley to settle there.

Perhaps it also explains why France has no newspaper quite like the *Sun*, which excelled itself in hypocrisy on the morning following ITN's drooling poolside voyeurism.

"Diana's fury at TV peak show" was the front-page headline. And, of course, inside, the newspaper published stills of the film, which, as they themselves report, so distressed the Princess.

Another paper reported that, while Fleet Street's finest had turned a blind lens, freelance paparazzi had been led up to a long-distance vantage-point by Egyptian security men - in exchange for a peek through the zoom lens at the undressing

Princess. ITN had clearly decided that their viewers were on the same moral level, as these venal Egyptian "security" men, and perhaps they are right, though I doubt it.

It has long become clear that the popular press, and perhaps now the television companies, are obsessed with the Princess of Wales, subjecting her to far more scrutiny, intrusion and comment than any other members of the royal family, including the monarch. And even newspapers such as *The Times*, fired by the arrival of overnight colour-printing, do not like a week to pass by without a picture of

the Princess of Wales.

The main reason, I suspect, is no more complicated than the fact that the lady is astoundingly beautiful and photogenic. But it cannot be right to reduce her to the level of a kind of royal Brigitte Nielsen. Unlike the starlet, the Princess does not wish her partly clothed body to be the fantasy of men from Egypt to Edgeworth, and, unlike her husband and many of her in-laws, she does not go on television programmes and chat shows to promote some new book or collection of etchings.

The spokesman for ITN, Glyn Mathias, said last week, when asked to justify the use of his company's peeping-tom journalism:

"There was a legitimate news interest."

Mathias was, I am sure, referring to the forthcoming book on the Princess of Wales by a Mr Andrew Morton about which every British newspaper, with the exception of the *FT* and the similarly high-minded *Independent*, has been agog for weeks. According to advance reports, the book's most astounding claim is that, some years ago, the Princess of Wales attempted suicide.

If that is true, one would not have to be a qualified psychiatrist to hazard that such despair could have been the result of the constant, intense and heartless intrusion of the press and television into the Princess's private life. But somehow I do not expect the journalistic "royal rat pack" to press this point.

■ Dominic Lawson is editor of *The Spectator*.

Ready to go federal

Michael Thompson-Noel

I HAD A week's holiday last week, so I did what I often do when I need to escape London's clammy clasp. I paddled the Rover reassuringly, stowed my flannel and tennis racket in the boot, and headed for Calais.

I was bent on using my holiday for one of the most varied forms of travel possible: mindless travel, travel without maps or mission and almost without purpose, except to roam through countries that are more attractive, more prosperous, more cultured, better managed, better funded and in most ways better set-up for the next millennium than stuffy little Britain.

First I went to Epernay. Then I turned left: Clermont, Baden-Baden, Augsburg, Linz, Krems (in Austria, not far from the Czech border; as far east as I got), Bad Ischl, Salzburg, Frankfurt, Cologne, Antwerp, Brugge, Calais.

Eight days and seven nights. 2,251 miles. Travelling mindlessly but with admiration and envy for so much of what I saw as I and the Rover traversed the heart of the apple strudel: the core of western Europe.

According to a calculation I made while eating lunch in a small town in Germany, it could be argued that 93 per cent of the world's worth, the planet's purpose, is concentrated in western Europe. South America? Who needs it. North America? How callow. Africa? A lost cause. Asia? Trying

HAWKS & HANDSAWS

hard, admittedly, Australasia? Addicted to sex and whimsy. If I was a Euro-enthusiast before I started my journey, I have become a Euro-fanatic. How I now abominate the Euro-sceptics. I believe they are rabid. If you ask me, Europe should move to outright federalism as swiftly as possible.

I want one army, one navy, one air-force, one parliament, one queen, one president, one chief executive, one flag (very small), one currency, one set of taxes, one language, one summer sport and one winter sport, one main way of cooking *estouffade à la prospérité*, one way of spelling Cologne, one BBC (but with dog-meat-and-gamesshow channels permitted regionally), one Archbishop of Bruges, a permanent home for the Olympics (not in Greece), one set of motoring laws, one price of petrol, one opera (which is probably one too many), one school curriculum and one railway gauge.

I am serious about this, because it struck me on my journey that this weary, wracked planet is on the lip of a great breakthrough. If western Europe goes federal, there is at least a sporting chance that the rest of the world will follow. It will want to join Europe. We shall have a world government. Also a world army, navy, air-force, queen, currency, flag, opera, etc.

On my journey, I made a small discovery that helped convince me that Europe is ready to go federal. *The French are not as bad as we think*. In a back street in Epernay, I had a flat tyre. I know nothing about such things, but was immediately approached by two Frenchmen. Before I could say *Deors!*, they had changed the wheel for me.

They offered me coffee. They looked shocked when I fiddled with money. Their generosity and helpfulness were instantaneous and unqualified. Like you, I have long been speechless at the French talent for getting up the nose. But they are visibly mending their ways.

The borders are open anyway. You can drive from Calais to Krems without anyone looking at your passport. In eight days and 2,251 miles, the only person who examined my passport was a government stoop at Dover, when I crossed the Channel.

We had a sharp exchange of words. "You look surprised to be asked to show your passport," said this moron.

"Surprised" doesn't quite encapsulate it. I said, "Look at my way, I am a European. I have just crossed from France. They didn't ask to see my passport." Neither did the Germans, the Belgians, nor the Austrians. I have neither left nor entered Europe. I stand for one world, one currency, one queen, one language and a permanent home for the Olympics (not Greece). I am now entering a fringe region - a place of tattiness and smoky accents of rudeness and suspicion."

The officer's retort was condescending. "On yer bike," he snarled.



Lucy Kellaway interviews Penelope Leach

The guru who gives babies a human voice

LAST Thursday was a big day for Penelope Leach. The woman who has encouraged millions of parents around the world to treat their babies and toddlers as free-thinking young human beings had just scored a triumph. The Scottish Law Commission recommended that the slipper, the belt and the ruler should be outlawed as instruments of punishment for children - a ban for which Leach has been campaigning for years. "I'm being rung for comments all the time," she says, inhaling deeply on a cigarette and running downstairs to the pine kitchen in her north London house for another cup of coffee.

Throughout our conversation the phone keeps ringing, and not just about smacking. Leach is being invited to write articles and asked for views on child modelling, day care centres and other assorted themes. Indeed, she has become a rent-a-quote expert. But she sticks to her liberal principles. She is AGAINST smacking, regimentation, bottle feeding and communal child care. She is FOR demand feeding, democracy within the family, and attending to a baby as soon as it cries.

What makes her feel so strongly about it all? Did she herself have a desperately strict upbringing that she is rebelling against?

"I'm afraid you are on a bad wicket there," she says. "We're a very close, extended family. We were part of an arty tradition. My mother was a writer, my stepfather was a painter and sculptor. We were never smacked - my mother believed it was important that children should be allowed to argue, reason their case, be heard."

It was revolutionary stuff in those days. Dr Spock, Leach's forerunner and inspiration, was still unknown in England. *Baby and Child Care*, which dared to question the strict rules by which post-war children were brought up, was not even published in Britain until 1955. Four decades later, it is almost impossible to find an expert who is not in broad agreement with some variant of the liberal ideas Spock introduced. And Leach, with her smash-hit book *Baby and Child* - which has sold 2.5m copies in the US alone and has been translated into 28 languages - is one of the loudest voices in the new orthodoxy.

But isn't it odd that there seems to be a consensus on such an unscientific business as bringing up children? Are the child-care experts that they follow the liberal school for now, ready to change everything should the mood swing back to discipline and routine? Or is it that the liberals are, somehow, right?

Leach laughs and, after a bit of

I passionately believe that getting it right for the child is to get it right for the adult'

I look unconvinced. Might it not be quicker and easier just to exert your will and put up with the screams?

"The issue here is power," she says. "Parents who say: 'What matters is my power, my authority over the child'" - she looks disapproving and takes another long puff on her cigarette - "those parents do not want my book."

But even if you accept that parents should not be on a power kick - which scarcely seems controversial - surely it is still unrealistic to expect weary mothers and fathers to come up with a fun game at the end of the day. Leach looks out onto her sunny garden backing onto Hampstead Heath, quite untruffled.

Confident in her own ideas, she treats dissent with tolerance, almost with sympathy. "If people disagree with something I have written, then that at least makes them think and helps them work it out in their own minds."

"When people complain that I have too idealistic a view of parents and children, I say you have to aim high. We teach people to drive well, and to observe speed limits, but that doesn't mean we always obey them. I am not saying we can all do

it right, but you have to aim high."

I am still worried. I wonder if aiming high is responsible for all those loving parents who bring their children to dinner parties and proceed to keep them up throughout the meal, and those anarchic households where toddlers rule the roost. Hasn't there been too much of democratic tolerance and seeing the child's point of view?

Leach takes no responsibility for such behaviour. "Children need adults, and being an adult is about setting limits. People are extraordinarily bad at setting limits."

But how do you police the limits once you have set them - especially if, going by her book, you are not allowed to punish and must avoid conflict?

"If you've set good limits, you don't have to police them," she insists. "A good limit is one the child can't break."

I wonder if someone with these views has children of her own, or has been blessed with such good ones that conflicts never arise. This is another poor wicket. Leach shrugs. "My daughter, in particular, was a difficult toddler. Very difficult indeed. She was highly strung, very bright, strong-willed, and understood an awful lot more than she could do."

Didn't this experience of a difficult child make her question the views she had formed, both as an academic and then while carrying out practical research with thousands of parents?

"You don't believe things if the data contradicts them - at least, not if you are any good. I had written about the validity of avoiding confrontation, and when I got myself into a confrontation situation with my daughter, it simply proved to me that this disastrous scene could have been averted if I had seen it coming and taken another route."

But what about ordinary mums? Does their experience also tally so well with the Leach doctrine? Or are they leaving children to cry behind closed doors knowing they will fall asleep eventually?

Leach, who speaks and writes with evangelical fervour, sighs. "I come across too many people who do not realise that very young children have feelings, and that they matter. People still say of a three-year-old, in complete amazement: 'She knows what she thinks!'" On a good day, they think it is quite sweet if a toddler has its own point of view; otherwise, they think it extremely disrespectful".

Leach feels, however, that most people have accepted the theory of modern child-care - even if they do not actually put it into practice. "Take breast feeding," she says. "All the evidence we have is that breast feeding is better for the

child. Yet, fewer and fewer mothers breast feed in hospital and an infinitesimal number go on until the baby is six weeks old. This raises a difficult dilemma. If you, as an expert, believe differently from common practice, then by stating your views you risk making a lot of people very cross. If people don't want to breast feed, that is fine. But they must accept that books should not blur the decision just to make them feel better. Parents do not want to be lied to."

Such intransigence has got Leach into trouble. Her opposition to communal care for very young children has gone down badly with some working mothers. "The media tends to leap to the conclusion that I am against women working, but that is not true." She adds, however: "We need to recognise that work is not everything. Our caring roles are

just as important as our working ones. We must de-genderise home-based care. If women take equal responsibility in the market place, men must do the same at home." It is easy to argue that this predictable stuff is distant from present-day realities. But Leach, who still clings to a belief in flower power and peace, might say justly that this is the reason it needs to be said - again and again and again.

creche and supply food for the needy, together with other facilities that the government fails to provide. "All the government gives us is police," notes Manoel.

The tour is shepherded by local teenagers wearing white T-shirts stamped "Favela Tours". Sollicitous in the extreme, they are there to hold Doreen's elbow as she just avoids falling into one of many holes, and to prevent Brian stepping too close to the edge while admiring the view of the city.

The idea is that locals, most of whom are unemployed, will abandon crime and instead make money selling Favela Souvenirs such as key rings and T-shirts emblazoned with the inevitable slogan: "I visited Rio's oldest slum."

As Leny hands out T-shirts to her charges: "Did you enjoy it?" "Yes," comes the resounding chorus, many scarcely masking their relief at not having been shot or kidnapped. Gilles Moreau, a chartered accountant from Canada, says with a grin: "My holiday snaps will not be what people were expecting at all."

Christina Lamb

Despatches/Rio de Janeiro

Tourists forsake the beaches and choose to go slumming instead

are what tourists really want to see. A survey by a group of travel agents found that 80 per cent of tourists in Rio listed *favelas* among the places they would most like to visit.

The first group to try the experience sets off from Copacabana amid great excitement, still slightly hungover from the previous night's samba show. They begin to look more hungry and less convinced about the wisdom of the idea as the tour bus climbs a narrow, cobbled street along which the buildings become progressively more decrepit.

Eventually, it halts at the foot of a stairway leading to Morro da Providencia, overlooking the centre of the city. Literally "Providence Hill", this is Rio's oldest *favela* and

form impossible feats with footballs. Young boys beat drums while girls in skin-tight dresses show off their prowess at samba and that sexy samba with which Brazilian women apparently are born. On the steps, a group of unshaven men old beyond their years drink neat *cachaça*, a pure sugar cane spirit, and blink bloodshot eyes at the new arrivals.

Morro da Providencia is in good condition as *favelas* go, but its foreign visitors cannot help wrinkling their noses as they enter the shack-like houses. Most of the 80,000 inhabitants are marginals from Brazil's poverty-stricken north-east, forced by hunger to migrate and finding little better in the big city.

Many of the tourists are involved in social work and are keen to see the conditions. Denis, a huge black

American over

from New York for carnival, drawls: "This is nothing, man - I work in Hell's Kitchen every day." Philosophising, he muses: "Poverty is poverty, man. Whether you're in New York or Rio."

Manoel, president of the residents' association, has done a sound job in convincing his members that the tour is a good thing. The idea came to him on Copacabana beach while talking to a group of Argentinian visitors who told him of their desire to see the "other side" of Rio. After agreeing security with police and drug traffickers, he contacted travel agents and Favela Tours was born.

Tourists pay \$25 (£14.10) each for the privilege and Manoel plans two tours a day. Part of the profits will go to the association to build a

"WE'RE GOING to see something very special today," enthuses Leny, the buxom tour guide. "We're going to see a slum." A ripple of guilty excitement runs through the tour bus, like a Women's Institute group watching the curtain go up on a naughty movie.

Forget the golden beaches, the beautiful women, the Sugarloaf mountain. Rio's latest tourist attraction is its *favelas*, the teeming shanty towns clinging to the hills.

A slum may not seem the most obvious place of interest for anyone visiting Latin America's top resort. Rio's *favelas* are renowned for violence rather than scenic beauty. They are mostly controlled by drug traffickers and hideouts for kidnap gangs and death squads. They hit the news with the periodic discoveries of clandestine graveyards, or during raids when the Brazilian police burst in firing, or when mudslides caused by heavy rains result in the collapse of the poorly-built houses, killing hundreds.

But they are home to a third of Rio's 9.5m population, and are impossible to ignore in their prime positions on the hills, overlooking the city's five star hotels and luxury apartments. And, apparently, they

Ready
to go
ederal

Michael
ompson-Noe

SECTION III

A SPECIAL SUPPLEMENT

Residential Property

It's a long haul back to normality

In spite of the Conservative election victory, the UK housing market is still under a cloud, reports Alex Catalano

ACCORDING TO anecdotal evidence, estate agents are seeing more potential house-buyers crossing their threshold. "After the election there was a little flurry, but Easter, which is historically a good period, was dead," says Nigel Conradi, marketing director of Nationwide's estate agency chain. Nevertheless, the mood in Nationwide's 400 odd branches is more positive. "One of our managers reported that sightings are back."

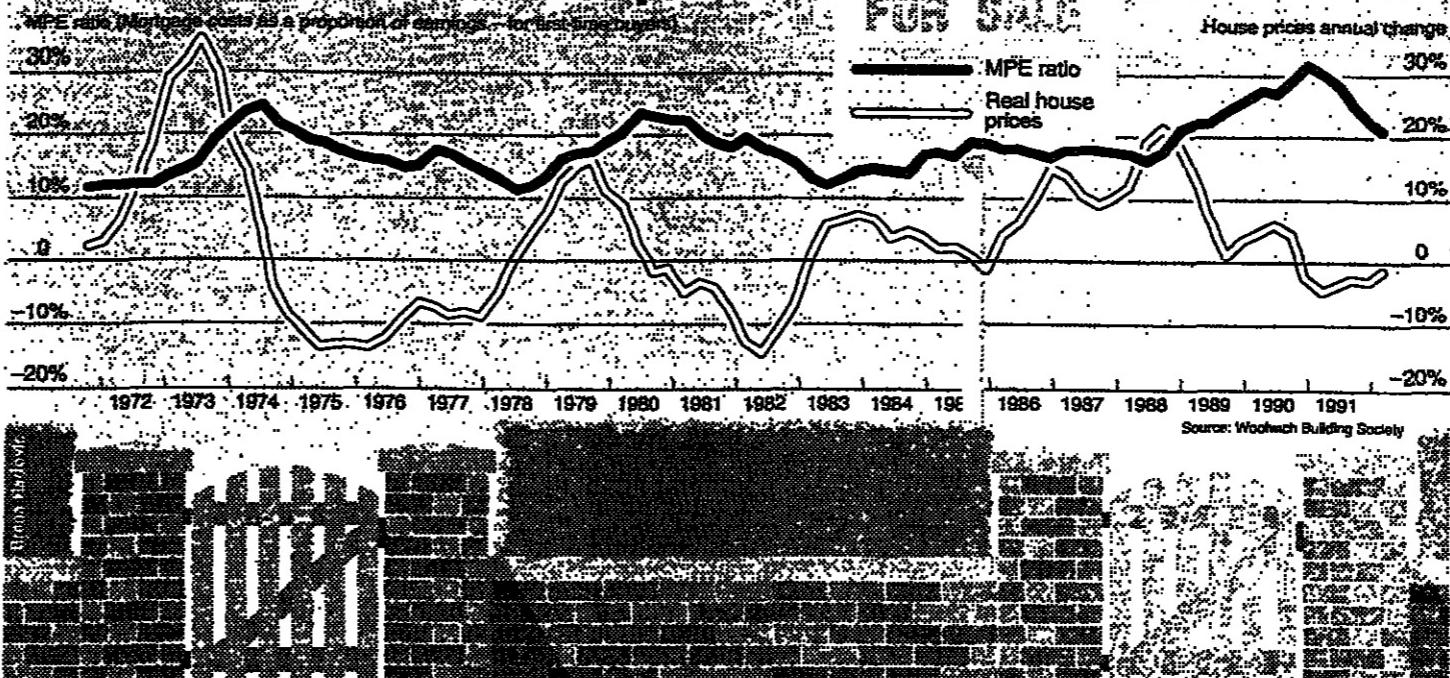
In addition the Building Societies' Association reports that net new commitments in March were 28 per cent up on February. But this only brings the figure back to the level in the late summer of 1981. However most forecasters and estate agents predict that it will be a long haul out of the current trough. No one now expects to see any growth in real terms in house prices over 1982.

Lloyds Bank, which has one of the more optimistic outlooks, thinks there will be a 3.5 per cent nominal increase over the year, with inflation at 4 per cent, this translates into a real fall. Others, such as the Woolwich building society and Dr John Wrigglesworth of stockbrokers UBS Phillips & Drew, forecast that prices will remain static at best or fall further, by up to 2 per cent in nominal terms.

Even estate agents, often accused of talking the market up, are braced for a slow recovery. "It's going to take a long time for house prices to get back to where they were two years ago," says Paul Taylor, of Savills, who deals in the higher-priced London properties. "Nobody is better off; people's ability to pay is no more than it was before the election."

But affordability is not the problem. Over the last two years, the combination of falling house prices, lower interest rates and rising incomes has brought the cost of buying a house back within sight of the all-important first-time buyer. There are two measures of affordability: house prices as a proportion of earnings, and mortgage payments as a proportion of earnings.

Affordability and real house prices



to exchange contracts were postponing it until after the election and in one or two cases making exchange conditional on a Conservative victory," says Yolanda Barnes, of Savills' research department.

Now that the election is over, buyers appear to be waiting to be convinced that the economy is reviving. "The only ingredient missing in the market place is confidence; the difficulty is trying to predict when it will return," says John May, joint chief executive of Hamshere Countrywide.

"Confidence" is shorthand for a mixture of economic facts and feelings that will give potential buyers the courage to complete on a property. The first of these concerns is unemployment, or the fear of it. As the jobless total has risen, people's ability — and willingness — to take on a new or larger mortgage has evaporated. However, the trend here is positive; although the absolute number of jobless is still rising,

the rate of the unemployment increase is slowing.

Second, because of recession, those still in employment are lowering their sights. Although earnings are still rising in real terms, expectations of future growth are softening. At the higher end of the income scale, there are additional considerations. According to Yolanda Barnes, losses incurred by Lloyds of London members have dealt a big blow to the more expensive end of the housing market.

Third, the recent falls in house prices have shaken people's faith in bricks and mortar as an investment. Unlike most other goods, demand for owner-occupied housing tends to drop as prices fall and increase when they rise, economists describe this behaviour as "perversive." During the latest slump, this effect has been amplified because, unlike in previous downturns, house prices

have dropped in nominal as well as real terms. Until they stabilise, potential buyers — especially first-time ones — will hold back.

However, according to estate agents, many vendors are still having difficulties in accepting lower prices. "The problem is, there is a wedge of sellers where the prices are lower than the equity in the house — they cannot be realistic. Then there are those who want to move but don't have to. They don't need to be realistic," says Conradi.

A plea for realism cuts across the price range. At Savills, Justin Marking finds himself trying to persuade sellers of up-market country houses to knock 10 to 20 per cent off their price expectations. "The key in this market is to set a competitive guide price. If it is too high it puts people off even viewing the premises," he says. Savills has just produced a list of guide prices for three types of country residences.

Then, too, there are the figures for mortgage arrears and repossession. Their effect is harder to gauge. Although at record levels, repossession represent only some 1 per cent of mortgages outstanding.

However, repossessed houses do occupy an important position in the market, at the bottom of the housing chain. Until they are taken up, prices will languish.

Moreover, arrears combined with price falls have clearly pushed some homeowners into a valuation trap: their mortgage is now higher than the value of their property. According to the Council of Mortgage Lenders, there could be 500,000 of these, mostly first-time buyers. Wrigglesworth puts the figure at 1m. These are the "can't sell" group, members of which will have to wait until prices rise.

At present, the experts' consensus is that it will be mid- to late 1983 before there is any real growth in

house prices. Lloyds is forecasting a nominal price rise of 8 per cent; the Woolwich puts it at 4.3 per cent. By then, buyers will have gathered enough courage to re-enter the market and the backlog of unsold houses should be cleared. After that, house prices should respond to more "normal" market forces of growth in incomes, inflation and new supply: long-term, the rises in the UK have averaged at 3.5 per cent per annum.

However, two new factors will tend to dampen growth in house prices. The first is Britain's membership of the European exchange rate mechanism. In the past the UK's relatively high inflation rate during booms has contributed to housing's appeal as an investment. This is because inflation simultaneously erodes the real value of mortgage debt while pushing up nominal incomes and house prices.

Membership of the ERM is expected to bring lower inflation rates and, in due course, more stable and lower interest rates. "We will still see housing cycles, but with inflation being less rapid it will not fuel such rapid price rises so the peaks won't be quite as high," says Martin Ellis.

The second dampening factor involves demographic trends: specifically, the UK's ageing population structure. The "baby boomers" of the 1950s and early 1960s provided a bulge of first-time purchasers in the 1980s. They are now on the downturn, although the rate of household formation is not likely to slacken until the second half of the decade.

In addition, the number of elderly people who are owner-occupiers is also set to rise sharply, and with them, the number of houses inherited. About two-thirds of these properties will be sold almost immediately, increasing the supply of houses available. However, it is estimated that only 20 per cent of the beneficiaries will spend most of the proceeds on property.

Taken together, all these factors point to a pattern of steady, unspectacular growth in house prices: lower peaks and less painful lows.

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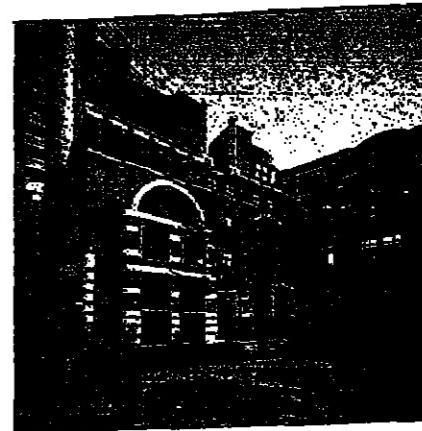
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PROPERTY

Storing some Welsh energy

David Hoppit on a project that is part of the garden festival in Ebbw Vale

THE MILLIONS who will tramp through the 162 acres of Garden Festival, Wales, in Ebbw Vale during the next five months will, among other things, see three of the most energy-efficient houses in the land.

A mountain of more than 1.5m cubic metres of toxic slag from the valley's steelworks has been removed giving local residents an extra half hour of daylight. Good earth now replaces the slag, host to 300,000 trees, half a million shrubs and countless bedding plants.

Ironically, British Steel (the cause of the original chronic pollution), is building one of

the three houses in Green Street. British Gas is building another. The most efficient is the Catnic House, built by Custom Homes, based in Redhill, Surrey, a company that specialises in energy efficient timber-frame homes for self-builders.

All three houses score above nine out of 10 in the government's new energy scale, well above the present minimum building regulation standard.

The Custom Homes house scored 9.7 on the energy scale, achieved with 5in of insulation in the walls and 5in in the roof.

Numerous other features – double-glazing, low-emission glass and a heat-recovery unit – have all contributed to make this a home that is snug without fog.

Christopher Heath, managing director, says: "The extra cost involved in achieving this high efficiency

was relatively small, below £2,500, when compared against the normal price of £132,000 for a home of this size."

Energy efficiency has become a significant factor in house-building. For decades the UK has lagged behind Scandinavian builders, but now the new British home can at least hold its own. The movement towards energy efficiency is an urgent one. Well over half the carbon

dioxide emissions are the result of domestic use; a reduction is vital for our survival.

Central heating alone produces more than 50m tons of carbon dioxide each year. Most house-builders continue to emphasise what the industry calls "kerb appeal" – that is, houses that look good to go home to. Companies such as Laing Homes and Admiral Homes are leading the way

among volume builders in providing homes that have kerb and wallet appeal.

Admiral was the first to achieve a remarkable maximum energy efficiency rating of 10 with one of its houses; a fine achievement but (like the skating champion who scores six out of a possible six) one which leaves no room for improvement. Tours of homes in Scandinavia leave me with the impression that there

score of 9.9, but residents also receive a copy of environmentalist Jonathon Porritt's book *Save The Earth*.

Martin Laing, Laing Homes chairman, who is also UK chairman of the Worldwide Fund for Nature, has given environmental practice notes to his staff, suppliers and sub-contractors, covering such items as company cars and CFCs. The company builds predominantly on "brown" land: land which has already been built on. As many trees and hedges are retained as possible.

The Cheam flats cost from £46,000. At that price, many potential buyers may be green with envy.



Fulham offer

THERE ARE still homes for sale at Stewart-Usborne Developments' Marryat Square site in Fulham, London, SW6 (pictured above and right). Some 50 homes have been designed around two landscaped squares, of which 26 are already sold. The square, on the south side of Munster Road off Wyfold Road, is within walking distance of Parsons Green Underground station.

Completed last summer, asking prices have been pegged at the level at which they were marketed in spring last year. They go from £95,000 for a one-bedroom garden flat to £245,000 for a three-bedroom house. Kitchens are fully-fitted.

There is an entrance for flats and burglar alarm systems in all properties, which are on a 999-year lease. Sole selling agents are Wellingtons (Tel: 071-731-4445).

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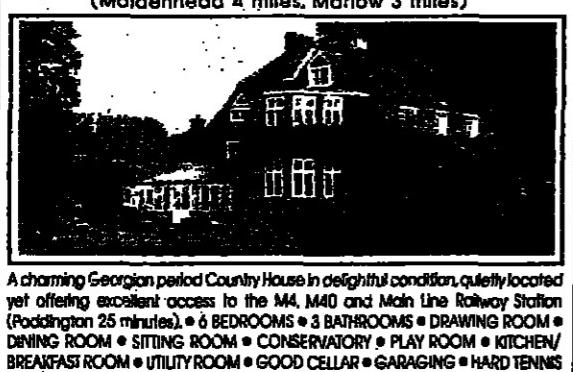
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Other Norfolk properties include 6 Bedrooom Victorian Rectory in North Norfolk. £25,000 Excellent 5/7 Bedrooom Country House in South Norfolk near Att with 9 Acres including Vineyard. £85,000 4 Bedrooom conversion, fringe of Sandringham Estate. £35,000

Just Published - Our own full colour magazine "COUNTRY" containing huge selection of country properties throughout Suffolk and Norfolk. £5.00 - £50.00

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TY GLAS FORESTRY ESTATE

480.7 hectares (1187acres)

PRIME COMMERCIAL WOODLAND WITH PROVEN POTENTIAL

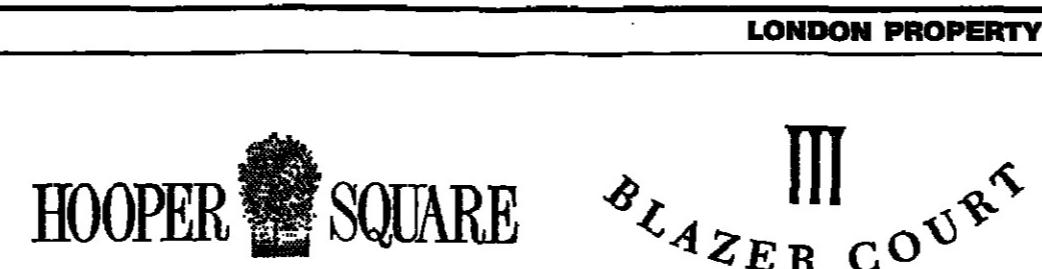
A compact block of quality commercial forest with immediate tax-free income potential. 95% Sitka Spruce. Excellent external and internal access. Shooting, Fishing and Mineral rights all included.

Freehold For Sale - Offers around £875,000

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LONDON PROPERTY

BLAZER COURT

Not one winner...



At last the battle of the ballot box is over. Reality has returned to the London property market. But one choice still remains - and this time you can't lose.

Select from exclusive 1, 2 & 3 bedroom apartments at Blazer Court in St John's Wood and enjoy a prestige location facing the main entrance to Lords

Cricket Ground. With the convenience of private underground car parking, the comfort of luxury apartments in a range of distinctive geometric shapes and top levels of security, it's rumoured that Blazer Court is one of the most deserving winners in the capital.

For further information call 071-266 2349 between 10am-6pm.

Or follow the wisdom of the City to the restful charm of Hooper Square and take your choice from 1, 2 & 3 bedroom apartments, studios and maisonettes set in mews courts and around the large, landscaped central square. Just five minutes walk from the City, these top quality properties boast nearby rail links

...but two

and private garages for secure car parking. Stylish, quiet and far more convenient than Docklands, Hooper Square is a clear cut winner in the City.

For further information call 071-481 3304 between 10.30am-5.30pm.



Choose Blazer Court or Hooper Square. Either way, you're backing a winner.

BLAZER COURT, St John's Wood Road, NW8. Prices from £149,500 to more than £750,000. Show Apartments open 10am-6pm, 7 days a week. Call 071-266 2349 for further details. A development by Abbey National Homes.

HOOPER SQUARE, Hooper Street, E1. Prices from £69,500 to just £174,500. Show Homes open 10.30am-5.30pm, 7 days a week. Call 071-481 3304 to find out more. A development by Abbey Housing with Countryside Properties plc.

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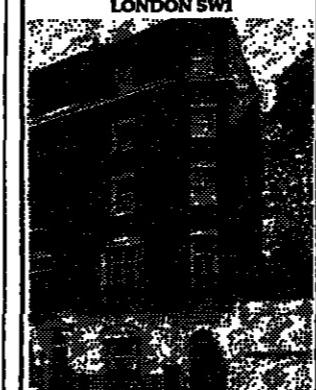
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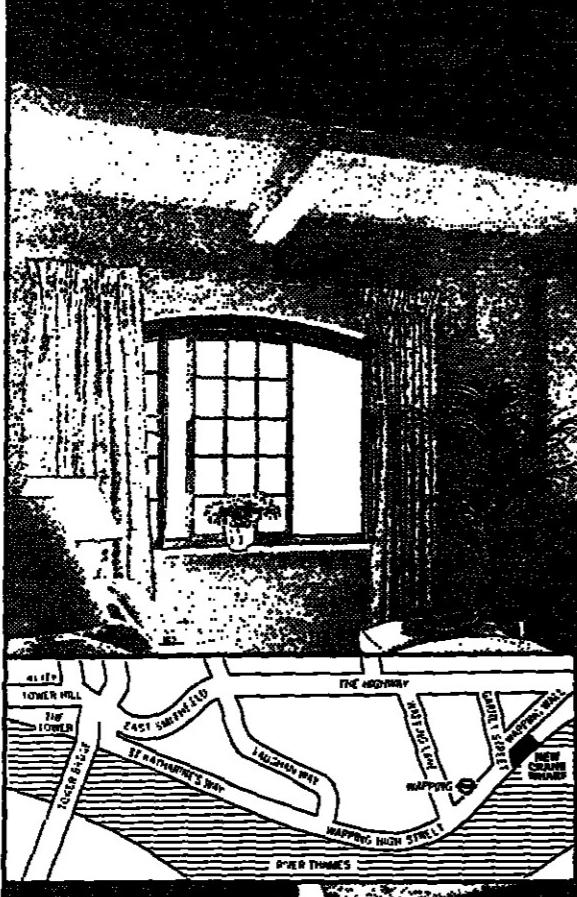
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BELGRAVIA, SW1. Magnificent first floor duplex providing a stunning Drawing Room, Dining Room, Kitchen, 4 Bedrooms, 3 Bathrooms, TERRACE LIFT, PORTER, IND CH, GARAGE available. Lease 69 years. Price £1,400,000.

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BINA GARDENS, SW5. New conversion of studio, 1 and 2 Bedroom flats. Lease 250 years. Price £97,500-£225,000.

174 Brompton Road, London SW3 1HP Telephone 071-781 7454

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A luxury haven in idyllic surroundings 25 mins Henley and 35 mins from London. Very private & immaculately presented flexible accommodation with every conceivable extra. Magnificent indoor leisure complex with billiard room, heated pool with reop area & exercise area, squash court & sauna. Outside 5 stables, paddocks, heated pool, hard tennis court and outstanding 20 acre grounds with lake. Charming indulgent and spacious main residence (partly Tudor) with extensive cellarage, guest wing, garaging and pavilion/post staff house in grounds. For connoisseurs at a sensible but substantial price.

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WATKINS SOURCE APT, Heart of London. One Can and Thame, 2 bed, 2 bath, 1 reception. Parking Space £285,000. Tel: 071 536 4488 Ext 201 1066 hours.

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In new development opp Park. One excellent town house, 3 bedrooms, 2 baths, 2 recs, 11 kitchen/breakfast rm, patio, garage, 250000.

Also one lux. 1st fl. flat, 2 recs, rm, 2 beds, 2 baths, lit, kit, wine, entrance, 125000.

Undergt. parkg. avail. 125 yr lease. Tel: 071-547 9729 Ordnay Estates.

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Queensmead features 24 hour concierge, high specification, a full security entry system and ample free parking. There are even garages available for sale.

A limited number of modernised and unmodernised apartments are currently available at prices between £215,000 to £375,000 for 92 year leases.

QUEENSMEAD
ST. JOHN'S WOOD, LONDON NW8

100 Knightsbridge London SW1X 7LB
071 584 6106



Marryat Square
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- 1 & 2 Bed Flats
- 2 & 3 Bed Houses
- Fully fitted kitchens
- Secure car parking

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Agents Carlton Smith and Partners Tel: 071-231 5150

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A beautiful family house just in the market, situated in the Victoria Road conservation area. Decorated throughout with exquisite taste.

Front and rear gardens. Central heating. Three magnificent reception rooms.

Master bedroom with two dressing rooms, two bathrooms, jacuzzi, all en-suite. Three further bedrooms with two bathrooms. Large well appointed kitchen/breakfast room. (An additional floor could be added subject to planning permission).

Freehold for sale

Substantial offers invited by sole agents

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A magnificent studio house situated in a quiet secluded cul-de-sac close to Kensington High Street and Holland Park, with two huge studios with high ceilings. Two double bedrooms, two bathrooms, shower/cloakroom. C.H. spacious kitchen. In excellent decorative order.

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SAVILLS

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The house is set back from the road with its driveway leading through the garden to the front door.

It is a large, light and airy house with high ceilings throughout.

It has four bedrooms, three reception rooms, a large kitchen/diner, a large conservatory and a large garden.

It is a very spacious house and would be ideal for a family.

£250,000. Tel: 071-730 9233

For full details or to contact Frank Harris or Guy Slocombe

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HOUSE SURROUNDED BY OUTSTANDING LANDSCAPED GARDENS.
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INTERNATIONAL PROPERTY CONSULTANTS

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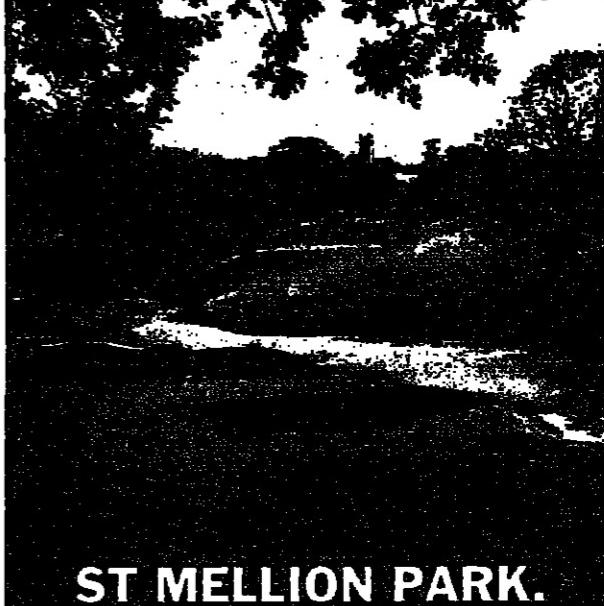
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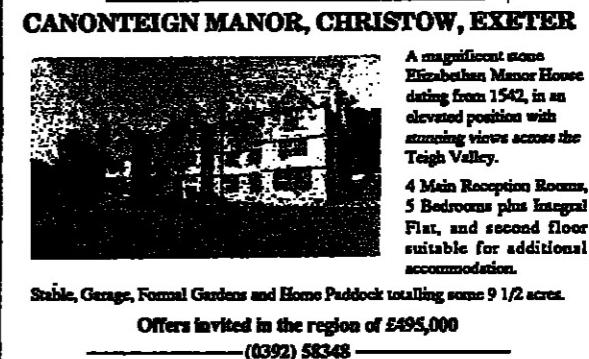
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4 Main Reception Rooms,
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Fairacre Four bedroom detached houses on small select developement in sought after village.
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Showhouse open 10 am to 5 pm.

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One off individually designed large family home on a ½ acre, views over countryside, 5 bedrooms, 3 bathrooms, 4 reception rooms, double garage.
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Quarry Gate, Stonequarry Road
An individually designed detached property in tranquil location.
Price £195,000

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Three 5 bedroom, 2 bathroom detached homes in unrivalled position overlooking Seaford Golf Course.
Prices from £215,000

SUSSEX**SHENFIELD, ESSEX**

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Three 5 bedroom detached properties on mature plots and only a few minutes walk from local shopping facilities and Shenfield Railway Station.
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In all about 7½ acres
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LONDON PROPERTY

HAMPTONS

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Leased for 25 years.
£175,000
Islington Office, Tel: 071-226 4688

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£1,950,000
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LONDON PROPERTY

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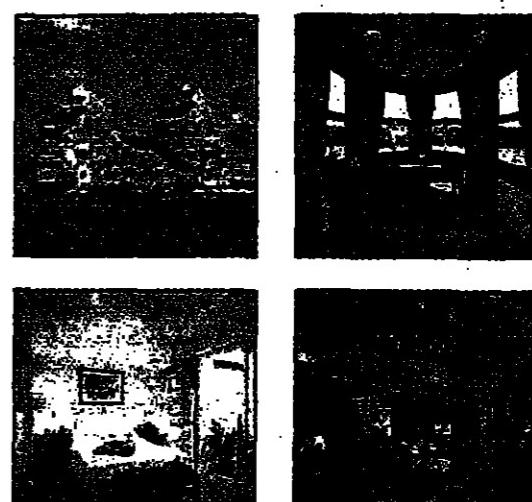
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